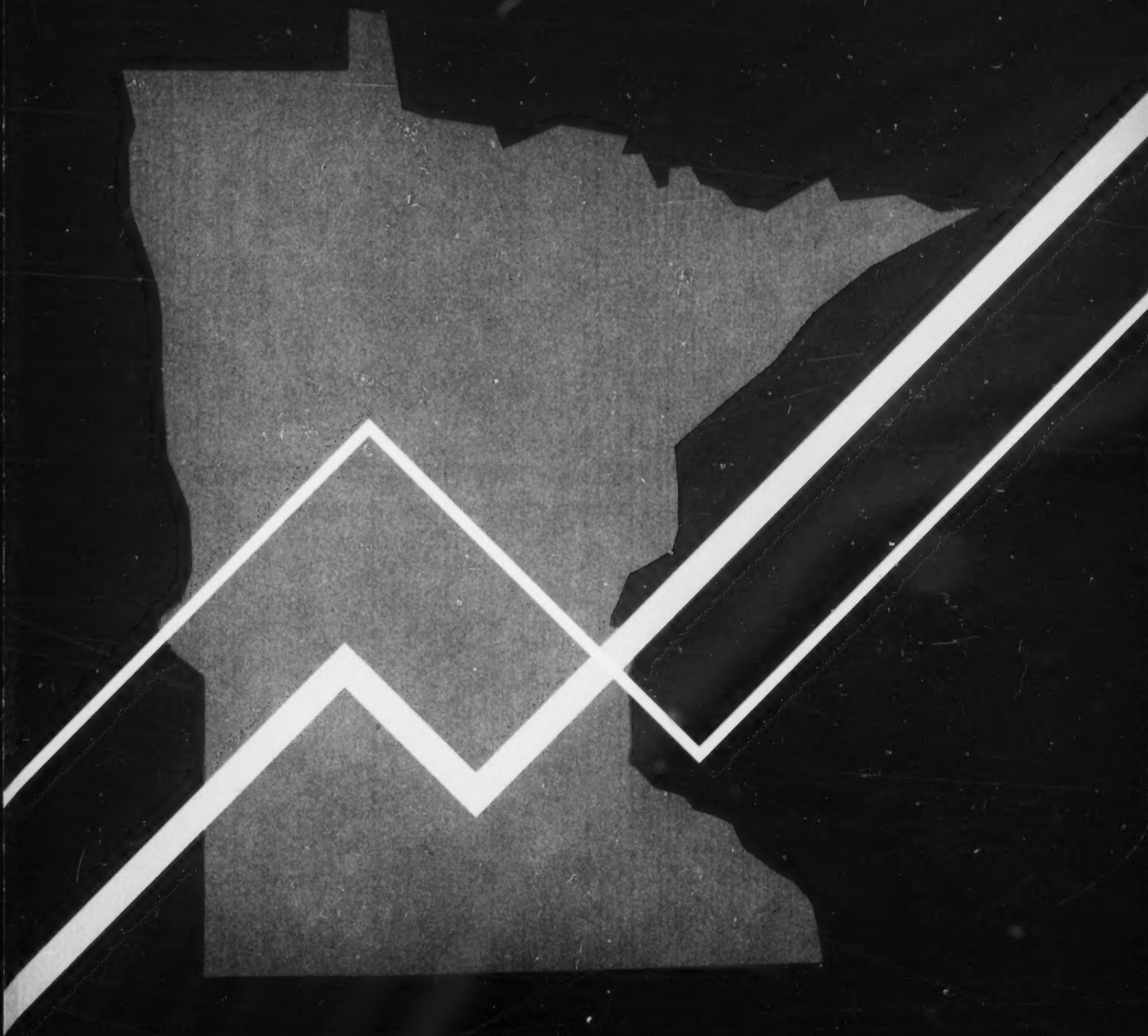


Compare Minnesota

An Economic and Statistical Fact Book 1994/1995



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Foreword

Compare Minnesota ... An Economic and Statistical Fact Book is published every other year by the Business and Community Development Division of the Minnesota Department of Trade and Economic Development (DTED). The purpose of this publication is to provide information that is important to businesses making location and site decisions, and to present a general profile of the economic and demographic composition of the state.

Compare Minnesota contains information compiled from many different sources. At the time of publication, this information was the most recent available. However, because of the original source and the way data is gathered by the reporting entity, the age of the information varies from table to table. Although this results in tables with data from different years, providing the most current information is considered most important.

The data is presented in a variety of ways and, wherever possible, compares Minnesota to the United States, the Midwest region, and/or the individual states and District of Columbia. U.S. Department of Commerce definitions of regions and other technical terms are used throughout the publication.

The original source for information in each table is cited below the table along with notes on definitions and clarification of methodology, where appropriate. The text accompanying the table provides interpretation of the information in the table and on occasion includes additional information to provide increased insight and context to the table. When the additional information is from the same source as that listed in the table, whether the most current or a prior edition, no additional citation is given. If the additional information is from a different source, the citation is included in the text.

When the availability of data permitted, the time period for measuring growth and change was ten years. This allowed comparisons of data between similar points in the business cycle, providing a more reliable indication of the underlying trends. Data reported on a per capita basis was calculated using population data from the 1990 census or interim estimates for 1992 from the U.S. Department of Commerce, Bureau of the Census. The glossary will assist those unfamiliar with selected economic terms used in this publication.

The Minnesota Department of Trade and Economic Development welcomes comments and inquiries from those using this publication. It is helpful to know what additional information readers would like to see included in this document to improve its effectiveness as a resource publication.

We gratefully acknowledge the many contributors to the 1994/1995 edition of *Compare Minnesota...An Economic and Statistical Fact Book*.

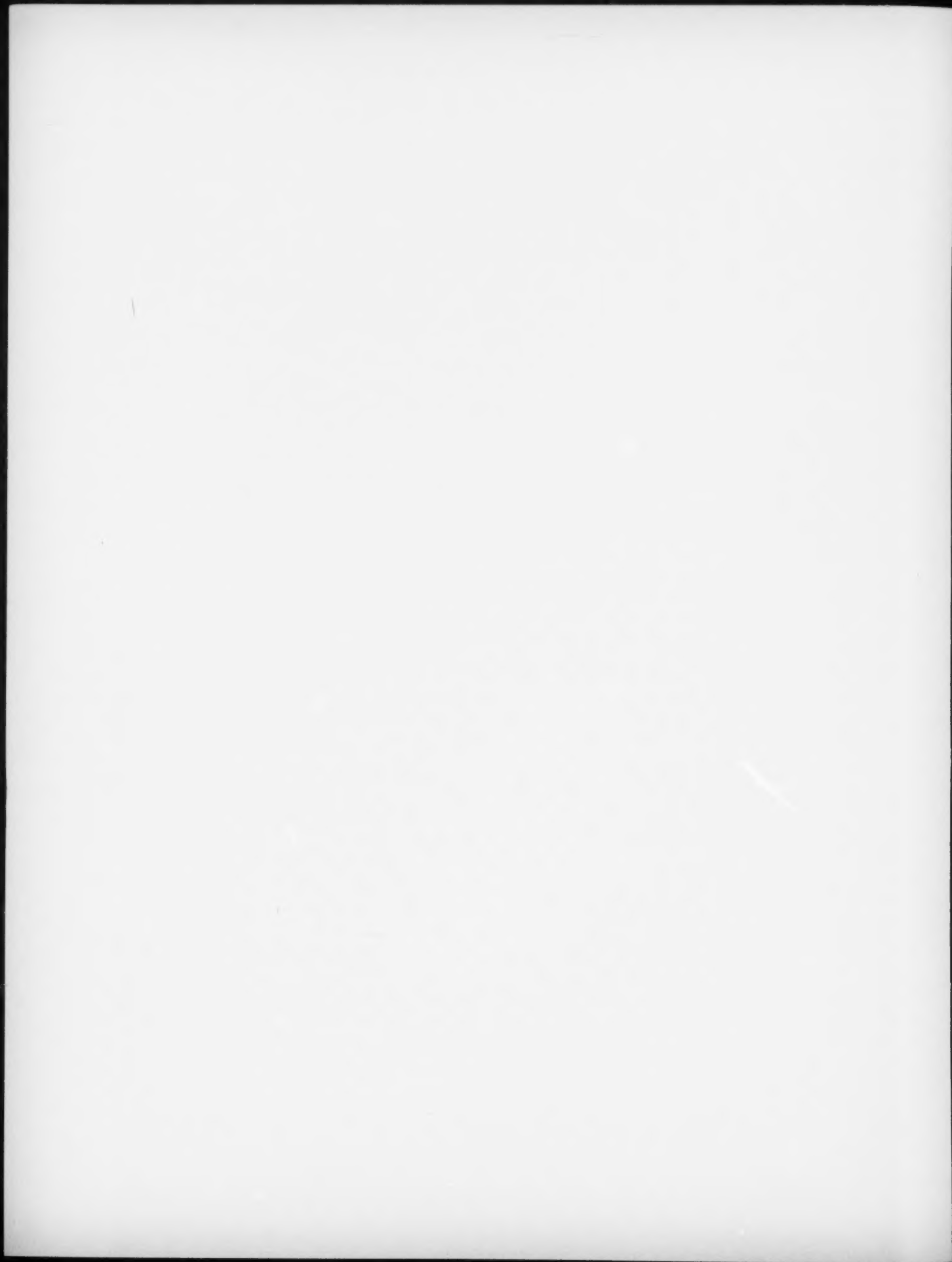
Acknowledgements

Many state agencies contributed to *Compare Minnesota* by collecting and organizing data. We appreciate the valuable support of these state agencies, namely: Minnesota Department of Education, Minnesota Department of Economic Security, Minnesota Department of Natural Resources, Minnesota Department of Revenue, Minnesota Department of Transportation, Minnesota Agricultural Statistics Service, and the Land Management Information Center and Office of the State Demographer of Minnesota Planning.

Many thanks to the individuals who had important roles in the development of this edition of *Compare Minnesota*.

- Members of the Information Analysis and Evaluation Office who, in addition to myself, prepared chapters: Robert Isaacson, Christi Petersen, and J. Neil Thomas. Abigail McKenzie, who provided support, guidance, and patience.
- Members of the Communications Office: Jerry Steinworth, who provided graphic and publishing services, and Dick Maloney who coordinated the printing.
- Elsa Larson, who provided invaluable editorial services.
- Other members of the Business and Community Development Division, too numerous to mention, who provided comments and suggestions for improvements to this issue of *Compare*.

Scott Peterson
Project Manager



Glossary

Business Birth and Death Rates - Rates derived by dividing the number of new (births) or failed (deaths) business establishments in a year by the number of existing establishments. These rates show the percentage change in the number of business establishments.

Business Establishment - A single business location that is either independently owned or a branch/subsidiary of a larger company. A single firm may consist of several establishments.

Disposable Income - The portion of personal income available to persons for spending and saving. It is equal to personal income less personal tax and non-tax payments. Taxes include income taxes, real estate taxes, and motor vehicle licenses. Non-tax payments include passport fees, fines and penalties, and fees paid to hospitals mainly operated by the government.

Earned Income - Personal income derived from wages, salaries and other labor income including proprietors' income.

Employed - All civilians who did any work as paid employees or in their own business during the survey week, or who worked 15 hours or more as unpaid workers in an enterprise operated by a family member. Persons temporarily absent from a job because of illness, bad weather, a strike, or for personal reasons are also counted as employed whether they were paid by their employer or were seeking other jobs.

Full-time Employment - Persons who worked 35 hours or more in the survey week.

Gross State Product (GSP) - The market value of the goods and services attributable to labor and property located in a state. It is the state counterpart of the nation's gross domestic product (GDP).

Labor Force - All civilians that are classified as employed or unemployed according to the official definitions, which are included in this glossary.

Labor Force Participation Rate - The ratio of the civilian labor force to the civilian noninstitutional population over 16 years of age, calculated by dividing the labor force by the noninstitutional population.

Location Quotient - Location quotients measure a state's or region's employment concentration or specialization in an industry. The measure is derived by dividing an industry's share of state employment by the industry's share of national employment. If the state's share of employment in a specific industry is larger than the national average for that industry, then this industry would have a location quotient greater than one. For example, a location quotient of 1.5 means that the state's share of employment in that particular industry is 50 percent greater than the national average.

Mean - The sum of a set of numbers divided by the number of numbers in the set. It is also known as the arithmetic or simple average.

Median - The middle value of a set of numbers arranged in order of magnitude with an equal number of values lying above and below the median value. It is also known as the fiftieth percentile.

Personal Income - All income received by, or on behalf of, all residents of an area. It is measured as the sum of wage and salary disbursements, other labor income, proprietors' income, personal rental income, personal dividend income, personal interest income and transfer payments, less personal contributions for social security insurance. Adjustments are made for income received by persons residing outside an area, but receiving money from inside the area.

Population Birth and Death Rates - The number of births or deaths in an area per thousand population. These rates show the change in the population in proportion to the size of the existing population.

Productivity - A measure that relates units of input used to produce a given unit of output. Output factors usually include value of shipments or value added and input examples include number of production workers or wages. *Compare Minnesota* measures productivity by the value added per production worker.

Region - A principal statistical unit of geography used in *Compare Minnesota* and adapted from the U.S. Department of Commerce definition. The 12-state Midwest region, one of four regions in the United States, consists of the five-state Great Lakes and seven-state Plains subregions. Minnesota is in the Midwest region and the Plains subregion.

SIC Code - The federal government numeric cataloging system known as the Standard Industrial Classification (SIC). The system is used to classify business establishments by the type of activity in which they are engaged. The SIC codes are intended to cover the entire field of economic activity.

Unemployed - All civilians who did not work during the survey week, but made specific efforts to find a job in the 4 weeks prior to the survey, and were available for work during the survey week (except for temporary illness). Persons waiting to be recalled to a job from which they had been laid off, or waiting to report to a new job within 30 days, need not be looking for work to be classified as unemployed.

Unemployment Rate - The percentage of the civilian labor force that is unemployed, calculated by dividing the number of unemployed by the civilian labor force.

Value Added - This measure of manufacturing activity is equivalent to the difference between sales and purchases of inputs used in the production process, including the cost of materials, supplies, containers, fuel, purchased electricity and contract work. Value added avoids the duplication that can occur in the value of shipments measurement, which results from the use of products of some industries as inputs by others. Value added is considered to be the best measure available for comparing the relative economic importance of manufacturing among industries and geographic areas. It is also used as a productivity measure.

Value of Shipments - The net selling values (exclusive of freight and taxes) of all products shipped, as well as all miscellaneous receipts such as installation and repair. This measure often includes large amounts of duplication since the products of some industries are used as inputs by others.

Wages and Salaries - The monetary remuneration of employees, including the compensation of corporate officers; commissions, tips and bonuses; and receipts in-kind, which represent income to the recipients.

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Executive Summary

Compare Minnesota is a compilation of information providing a statistical overview of the state of Minnesota, including comparisons to other states and the nation. Out of this detailed data, an image emerges of a prosperous state with a vigorously growing economy and a prosperous, well-educated population that enjoys a high quality of life.

Minnesota's Economy

Minnesota's economy is well diversified, with a mix of services, high value-added manufacturing, and resource-based industries.

Minnesota's gross state product (GSP) increased almost 80 percent during the 1980s, increasing to \$100 billion by 1990. In comparison, U.S. gross domestic product (GDP) increased 75 percent during this time.

The manufacturing sector contributed more to GSP than any other sector of Minnesota's economy. Between 1982 and 1990, manufacturing GSP in Minnesota increased 80 percent, 38 percent higher than the national increase. Employment in the manufacturing sector also demonstrated remarkably strong employment growth, increasing almost 15 percent, while manufacturing employment declined almost 3 percent nationwide.

Minnesota's major manufacturing industries reflect both the natural resources and technological advantages of the state. These industries include computers and components, food processing, publishing and printing, medical products and scientific instruments, and lumber and wood products.

Like the rest of the country, however, most new jobs created between 1983 and 1992 were in the services industry, which employed over a half million people in Minnesota in 1992. Health care and computer programming stand out as major industries in this sector.

The diversity and strength in Minnesota's economy resulted in unemployment rates consistently below the national and Midwest averages from 1983 to 1992.

Locational Advantages

Minnesota's vibrant economic performance owes much to its many natural advantages, including a central location, ports on the Great Lakes and Mississippi River, and plentiful forests, agricultural land, and mineral resources.

Minnesota has a well developed, multi-faceted transportation system. Four Great Lakes ports, 60 river terminals, 19 railroad companies, 17,000 interstate trucking companies, and an international airport efficiently move freight and people coast-to-coast and worldwide. Minnesota's location gives businesses convenient access to the 49 million people and one million businesses within 500 miles of the Twin Cities.

Businesses also have excellent access to capital in Minnesota. Minnesota ranked near the top nationally in the availability of private venture capital in 1992. The commercial banking system had \$44 billion in deposits and \$5 billion in equity, and ranked among the top states in return on assets and non-performing loans. Several local and state government programs offer financing to start-up, relocating, or expanding businesses.

Real estate costs in Minnesota are a good value. In 1993, construction costs in Minneapolis were eighth lowest among major metropolitan areas in the country. The Twin Cities had an abundant supply of office and industrial space in 1992, and office space rental prices in Minneapolis-St. Paul were among the lowest of any major city in the country.

Minnesota residents and businesses also benefit from very competitive prices for natural gas and electricity. Average prices for electricity were below the national average for all classes in 1991. Average natural gas prices were the lowest in the Midwest and 15 percent below the national average overall.

Minnesota's People

Minnesota's population grew faster than any Midwestern state from 1983 to 1992, reaching almost 4.5 million people by 1992. Projections indicate that Minnesota will be one of only two Midwestern states to increase in population through 2010.

Minnesotans enjoyed significant growth in personal income between 1983 and 1992, which grew to \$20,427 per capita, slightly above the national average. In terms of buying power, Minnesota had more households in the \$35,000 to \$49,999 range than all but one state in the Midwest.

Minnesota's population is well educated, with the preeminent high school graduation rate in the country in 1991. Minnesota has a higher percentage of people with high school and baccalaureate degrees than any state in the Midwest. Minnesota students also rank highly in math proficiency, reading, and SAT scores.

Quality of Life

Many Minnesotans consider the quality of life to be the best thing about their state because of the variety, quality and affordability of the things that add enjoyment to life.

Twin Cities residents enjoyed the sixth highest standard of living and sixth lowest cost of living among major metropolitan areas in 1992.

Health care costs in Minnesota were 15 percent below the national average in 1992, and the state was ranked the healthiest in the country in 1993. The infant mortality rate and the percentage of low birthweight babies in 1991 were among the lowest in the nation.

Median home prices in the major metropolitan areas of Minnesota were below the national median. Based on the housing opportunity index, the Twin Cities ranked first in housing affordability among the largest metropolitan areas.

The wide variety of arts and entertainment options available to Minnesotans rank among the best in the country. For sports fans, the Twin Cities offers major league professional and college teams.

Minnesota has millions of acres of state and national forests and parks. Within and outside of these parks are thousands of miles of trails for horseback riding, hiking, biking, skiing, and snowmobiling.

Over 12,000 lakes and 25,000 miles of rivers provide an abundance of opportunities for boating, canoeing, and fishing. The Boundary Waters Canoe Area offers a wilderness experience without peer in the lower 48 states.

Minnesota - A Good Place to Be

After digesting the information that follows, you will agree that Minnesota offers a unique combination of economic opportunity and quality of life. It's all here for you to see ... just *Compare*.

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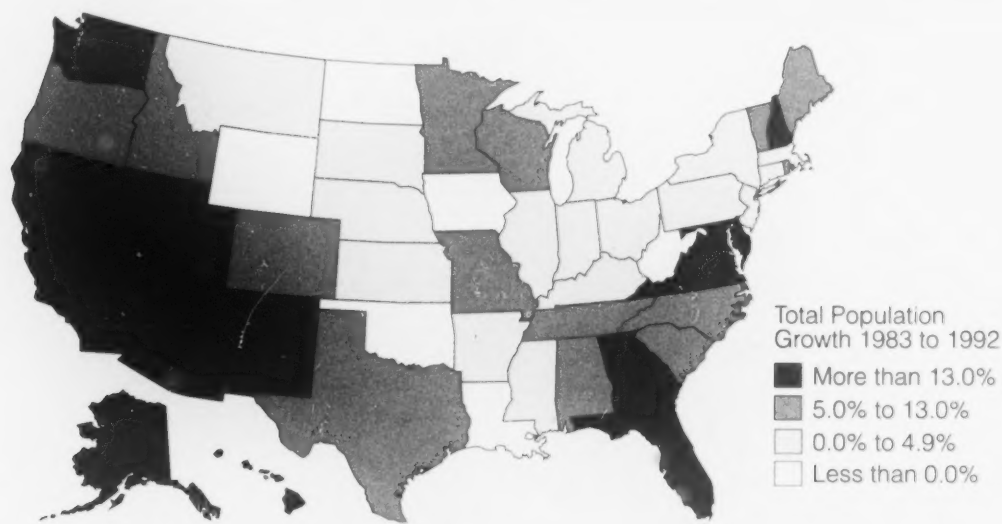
Demographics 1

Like many Midwestern states, Minnesota has a young, growing population. Between 1983 and 1992, Minnesota's population grew significantly faster than any other Midwestern state. The number of cities in Minnesota with populations over 50,000 doubled between 1980 and 1992. Relatively low migration out of the state, a low death rate, a moderate birth rate and increasing minority populations have all contributed to Minnesota's population increase.



Table 1.1 Population Growth and Projections, 1983 through 2010

Minnesota's average annual population growth rate ranked highest among the Midwestern states.



States and Regions	Population (thousands)				Annual Average Growth	
	1983	1992	2000 Projected	2010 Projected	1983-1992	Projected 1992-2010
United States	233,791	255,082	267,748	282,056	1.0%	0.6%
Midwest	58,691	60,714	60,529	59,696	0.4	-0.1
Plains	17,325	17,961	17,972	17,714	0.4	-0.1
Iowa	2,871	2,812	2,549	2,251	-0.2	-1.2
Kansas	2,416	2,523	2,534	2,488	0.5	-0.1
Minnesota	4,141	4,480	4,566	4,632	0.9	0.2
Missouri	4,944	5,193	5,473	5,665	0.5	0.5
Nebraska	1,585	1,606	1,539	1,443	0.1	-0.6
North Dakota	676	636	596	531	-0.7	-1.0
South Dakota	692	711	715	704	0.3	-0.1
Great Lakes	41,366	42,753	42,557	41,982	0.4	-0.1
Illinois	11,408	11,631	11,722	11,571	0.2	-0.0
Indiana	5,450	5,662	5,696	5,655	0.4	-0.0
Michigan	9,047	9,437	9,365	9,301	0.5	-0.1
Ohio	10,738	11,016	10,930	10,803	0.3	-0.1
Wisconsin	4,723	5,007	4,844	4,652	0.7	-0.4

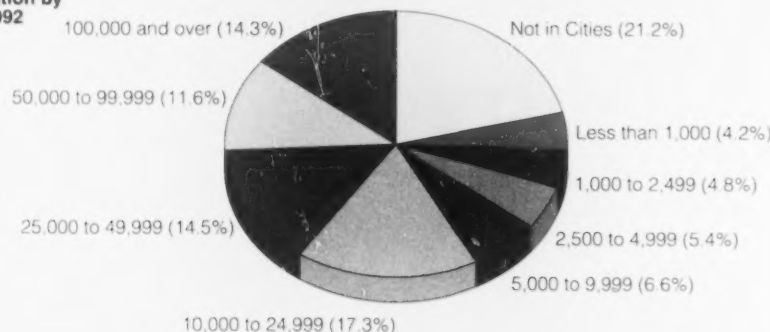
Source: Current Population Reports, Series P-25, No. 1106, 1993, U.S. Department of Commerce, Bureau of the Census.
Current Population Reports, Series P-25, No. 1053, 1990, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's annual average growth rate between 1983 and 1992 ranked highest among the Midwestern states. The state's population increased from 4.1 million in 1983 to 4.5 million in 1992.
- Minnesota's 0.9 percent annual average growth rate between 1983 and 1992 was greater than the Midwest rate of 0.4 percent, but slightly lower than the national rate of 1.0 percent.
- Census projections of Midwestern population indicate that between 1992 and 2010, only Minnesota and Missouri will increase in population. Minnesota's population is projected to continue growing slowly at 0.2 percent annually, slightly lower than Missouri's 0.5 percent projected growth. Populations in other Midwestern states are projected to decline.
- Projections indicate that population growth rates for Minnesota, the Midwest and the United States over the next two decades are expected to be lower than the rates over the last decade.

Table 1.2 Minnesota's Population by City Class Size, 1980 and 1992

The number of cities with populations over 50,000 doubled between 1980 and 1992.

**Percent of Population by
City Class Size 1992**



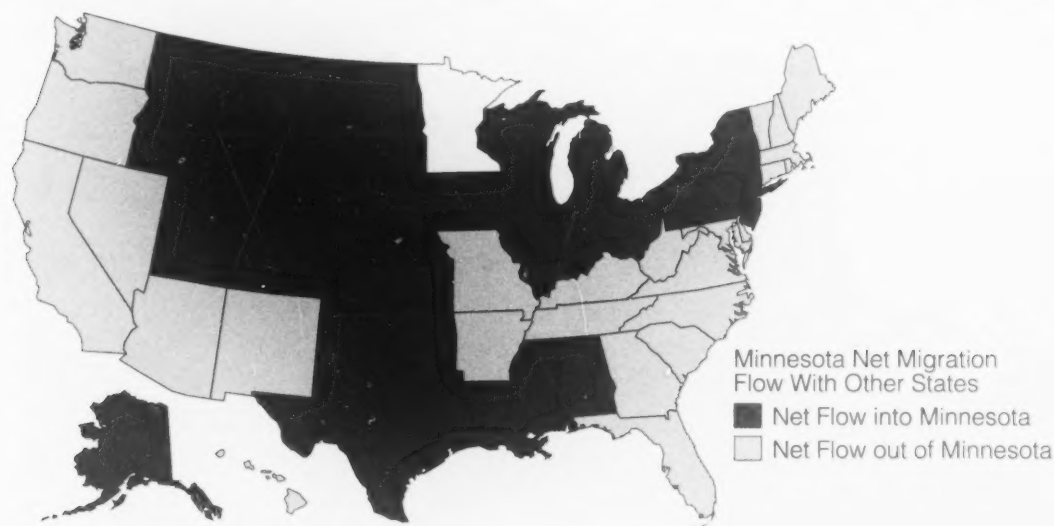
Class Size	Number of Cities in 1980	Population 1980 (thousands)	Number of Cities in 1992	Population 1992 (thousands)	Percent of Total Population 1992	Percent Growth in Population 1980-1992
100,000 and over	2	641	2	641	14.3%	0.0%
50,000 to 99,999	3	233	8	520	11.6	123.2
25,000 to 49,999	18	617	18	651	14.5	5.5
10,000 to 24,999	42	671	48	773	17.3	15.2
5,000 to 9,999	40	289	41	297	6.6	2.8
2,500 to 4,999	75	258	71	243	5.4	-5.8
1,000 to 2,499	132	215	134	215	4.8	0.0
500 to 999	162	115	150	105	2.3	-8.7
250 to 499	164	58	139	51	1.1	-12.1
Under 250	217	31	244	34	0.8	9.7
All Cities	855	3,128	855	3,530	78.8	12.9
Not in Cities	-	948	-	950	21.2	0.2
Total	-	4,076	-	4,480	100.0	9.9

Source: 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census.
Unpublished data, 1993, Minnesota Demographer's Office.

- The number of cities with populations between 50,000 and 99,999 more than doubled between 1980 and 1992, increasing from 3 cities to 8.
- The number of residents living in cities grew 12.9 percent between 1980 and 1992.
- Over one-fourth of Minnesota's population lived in cities with populations greater than 50,000 inhabitants in 1992.
- Approximately 9 percent of Minnesota's population resided in cities with fewer than 2,500 people.
- Almost one-third of the state's population lived in cities with 10,000 to 49,999 inhabitants.
- Approximately 21.2 percent of Minnesota residents did not live in a city, town or municipality in 1992. Between 1980 and 1992, this segment of the population grew by only 0.2 percent.
- The data for small cities (less than 5,000) suggests that the individual cities lost population between 1980 and 1992.
- Between 1980 and 1992, the number of cities with fewer than 250 inhabitants increased from 217 to 244. The population of these small cities represented less than 1 percent of Minnesota's total population in 1992.

Table 1.3 Minnesota Migration Flow, 1985 to 1990

Half the people who moved to Minnesota came from other Midwestern states.



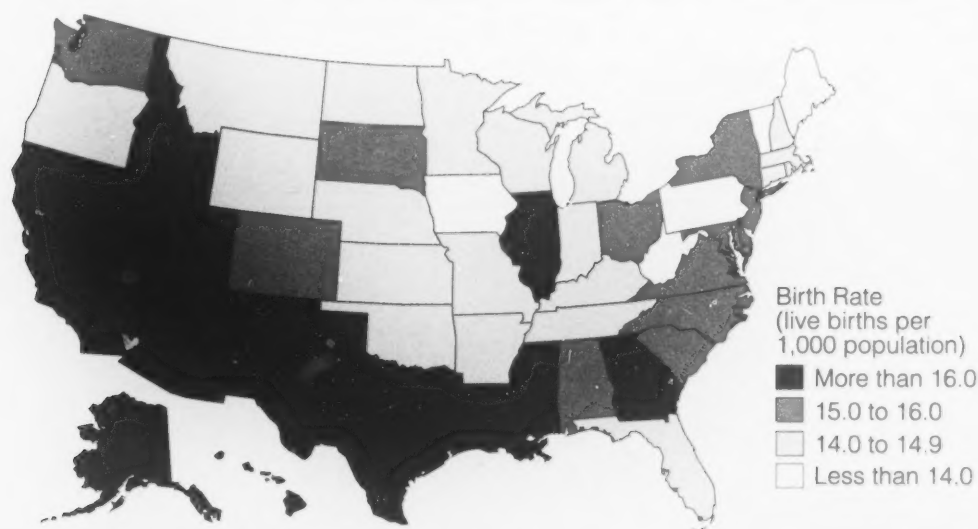
States and Regions	Total Migration to Minnesota	Total Migration from Minnesota	Minnesota Net Migration	States and Regions	Total Migration to Minnesota	Total Migration from Minnesota	Minnesota Net Migration
United States	320,725	316,363	4,362	Midwest	179,685	133,319	46,366
Plains	86,477	58,259	28,218	Great Lakes	93,208	75,060	18,148
Iowa	24,608	15,086	9,522	Illinois	24,936	15,922	9,014
Kansas	8,915	3,791	5,124	Indiana	5,893	4,246	1,647
Minnesota	-	-	-	Michigan	9,902	8,758	1,144
Missouri	6,126	7,276	(1,150)	Ohio	5,655	5,366	289
Nebraska	6,252	3,969	2,283	Wisconsin	46,822	40,768	6,054
North Dakota	26,677	17,613	9,064				
South Dakota	13,899	10,524	3,375				

Source: 1990 Census of Population and Housing, CPH-L-121, U.S. Department of Commerce, Bureau of the Census.

- Between 1985 and 1990, Minnesota gained 4,362 residents from net migration, reversing the trend that occurred between 1975 and 1980 when the state had a net migration loss of 43,358 residents.
- Six states — Wisconsin, Iowa, North Dakota, California, Illinois and Texas — provided the most migration to Minnesota, accounting for 163,775 new residents, or 51.1 percent of total migration to the state.
- Most migration in the Midwest occurred between Minnesota and Wisconsin. Nearly 47,000 people moved from Wisconsin to Minnesota while almost 41,000 people moved from Minnesota to Wisconsin.
- The net influx of 28,218 residents to Minnesota from the Plains states was 55.5 percent greater than the net migration of 18,148 from the Great Lakes states.
- Minnesotans moved to six major destinations — Wisconsin, North Dakota, California, Illinois, Arizona and Texas. Between 1985 and 1990, these six states absorbed 143,052 former Minnesotans or 45.2 percent of total migration from the state.
- Most migration occurred between Midwestern states. Minnesota had a net positive migration with each Midwest state except Missouri. Over one-half of the people who moved to Minnesota came from other Midwestern states.

Table 1.4 Birth Rates and Death Rates, 1992

Minnesota's birth rate was lower than the national average.



<i>States and Regions</i>	<i>Birth Rate</i>	<i>U.S. Rank</i>	<i>Death Rate</i>	<i>U.S. Rank</i>	<i>Annual Increase in Population (thousands)</i>
United States	16.0	-	8.5	-	1,907.0
Midwest	15.1	-	8.8	-	379.4
Plains	14.5	-	9.0	-	97.6
Iowa	13.6	48	9.5	10	11.1
Kansas	14.9	27	8.8	23	15.3
Minnesota	14.6	36	7.8	37	30.6
Missouri	14.5	37	9.7	8	25.0
Nebraska	14.3	40	9.2	15	8.2
North Dakota	14.0	46	9.1	18	3.1
South Dakota	15.9	16	9.7	6	4.4
Great Lakes	15.3	-	8.7	-	281.8
Illinois	16.5	12	8.7	28	90.9
Indiana	14.8	29	8.9	21	33.7
Michigan	14.7	31	8.4	32	59.7
Ohio	15.3	25	9.0	20	69.5
Wisconsin	14.0	45	8.3	33	28.1

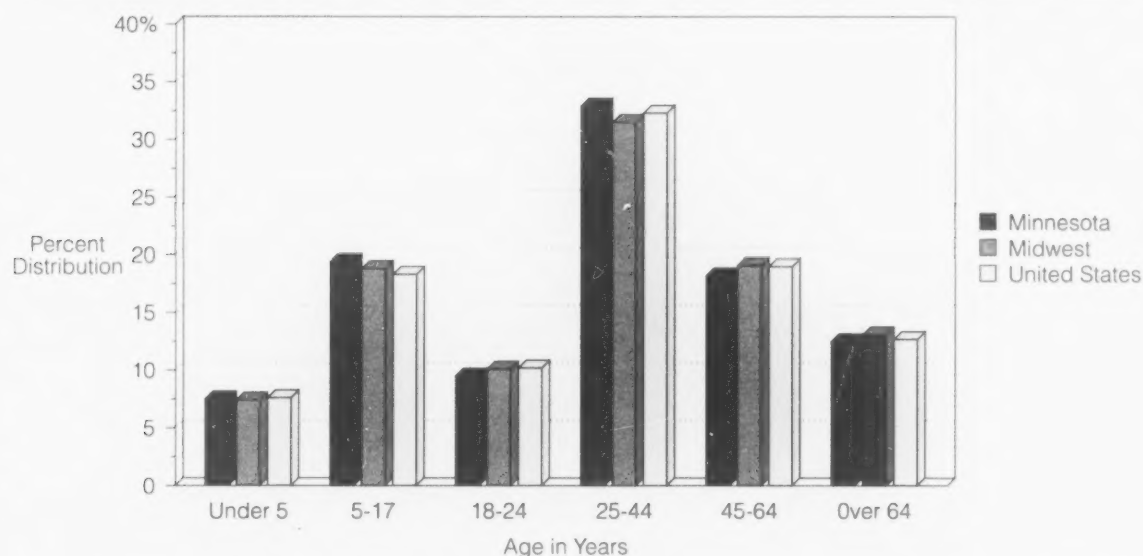
Note: Data refers to live births and deaths per 1,000 population.
Data is assigned to the state where event occurred rather than the state where individual resides/resided.

Source: Monthly Vital Statistics Report, September 28, 1993, National Center for Health Statistics.

- Minnesota's birth rate in 1992 was 14.6 live births per 1,000 total population. This rate was slightly higher than the average for the Plains states but lower than the averages for the Great Lakes states, the Midwest and the United States.
- Minnesota's death rate in 1992 was lower than any other state in the Midwest and 8.2 percent lower than the national rate.

Table 1.5 Population Distribution by Age, 1992

Minnesota had a higher proportion of 25- to 44-year-old residents than did the United States and Midwest.



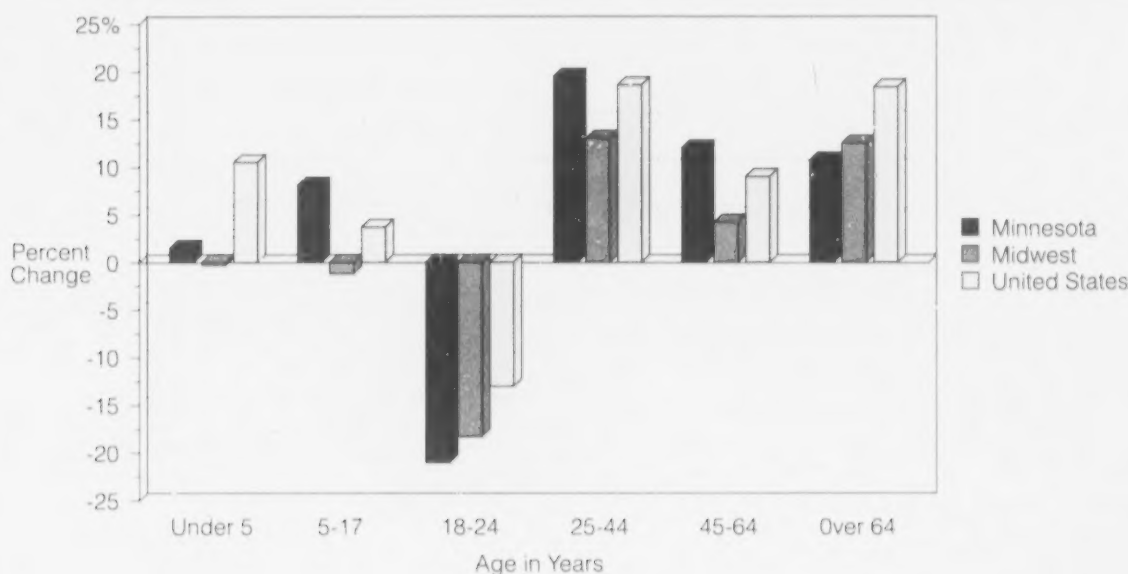
States and Regions	Percent Distribution						Total Population	Median Age
	Under 5 Years	5-17	18-24	25-44	45-64	Over 64 Years		
United States	7.6%	18.3%	10.2%	32.3%	19.0%	12.7%	255,082	33.4
Midwest	7.4	18.8	10.1	31.5	19.1	13.1	60,714	33.7
Plains	7.3	19.3	9.8	31.0	18.7	13.9	17,961	-
Iowa	6.9	19.2	10.0	29.5	19.0	15.4	2,812	34.5
Kansas	7.4	19.5	10.0	31.1	18.2	13.9	2,523	33.5
Minnesota	7.5	19.4	9.5	32.9	18.2	12.5	4,480	33.2
Missouri	7.3	18.7	9.7	30.7	19.4	14.1	5,193	34.1
Nebraska	7.4	19.9	9.8	30.4	18.3	14.1	1,606	33.5
North Dakota	7.0	20.0	10.5	30.4	17.4	14.6	636	33.3
South Dakota	7.7	21.0	9.7	29.2	17.7	14.7	711	33.3
Great Lakes	7.4	18.6	10.2	31.7	19.2	12.8	42,753	-
Illinois	7.7	18.3	10.0	32.3	19.1	12.6	11,631	33.4
Indiana	7.2	18.7	10.8	31.3	19.5	12.7	5,662	33.6
Michigan	7.7	18.9	10.4	31.8	19.1	12.2	9,437	33.3
Ohio	7.2	18.4	10.2	31.3	19.7	13.2	11,016	34.1
Wisconsin	7.2	19.4	9.9	31.5	18.6	13.3	5,007	33.6

Source: Current Population Reports, Series P-25, No. 1106, 1993, U.S. Department of Commerce, Bureau of the Census.

- The median age in Minnesota in 1992 was 33.2 years, slightly lower than in the Midwest and the nation.
- Minnesota's share of 18- to 24-year-old residents was 9.5 percent, lower than all other states in the Midwest.
- The age distribution of Minnesota's population is similar to that of the Midwest and the nation.
- Almost one-third of Minnesota's population in 1992 was 25 to 44 years old, the highest share among the Midwestern states.

Table 1.6 Change in Population Distribution by Age, 1983 to 1992

Minnesota's population of 25- to 64-year-olds grew faster than the national average.



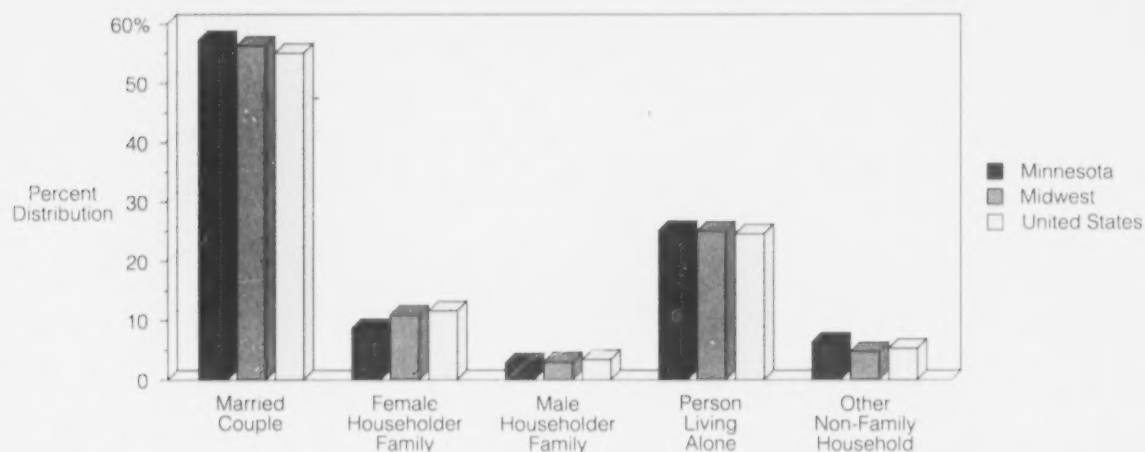
States and Regions	Percent Change						Total Population	Median Age
	Under 5 Years	5-17	18-24	25-44	45-64	Over 64 Years		
United States	10.5%	3.7%	-13.0%	18.6%	9.0%	18.4%	9.1%	8.4%
Midwest	-0.3	-1.2	-18.3	13.0	4.2	12.5	3.5	10.3
Plains	-4.2	4.5	-21.2	13.5	4.5	9.0	3.6	9.7
Iowa	-13.0	-2.7	-23.4	6.1	-1.1	7.2	-2.1	10.9
Kansas	-4.7	9.6	-19.6	13.9	2.3	9.9	4.5	9.1
Minnesota	1.5	8.1	-21.0	19.5	12.0	10.7	8.2	9.9
Missouri	2.2	3.6	-18.9	14.8	5.5	9.1	4.9	8.3
Nebraska	-8.6	4.4	-21.7	9.2	2.0	6.3	1.2	9.5
North Dakota	-25.8	-3.6	-29.0	2.8	-5.4	9.2	-6.0	14.8
South Dakota	-10.3	9.0	-25.0	14.1	0.7	10.0	2.7	11.7
Great Lakes	1.5	-3.5	-17.0	12.9	4.1	14.1	3.4	10.2
Illinois	1.8	-4.5	-19.2	12.0	2.0	10.4	2.0	9.2
Indiana	-1.5	-4.3	-13.6	13.2	6.9	15.4	4.1	10.9
Michigan	6.7	-4.8	-15.6	13.4	6.0	17.2	4.4	11.0
Ohio	-1.3	-4.7	-15.9	11.4	2.1	16.3	2.6	10.4
Wisconsin	0.4	5.1	-20.9	17.1	7.4	11.2	5.9	10.2

Source: Current Population Reports, Series P-25, No. 1106, 1993, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's 5- to 17-year-old and 25- to 64-year-old populations grew faster than the national average between 1983 and 1992. Other age groups grew more slowly or declined more rapidly than the national average.
- The decrease in Minnesota's young adult population (18 to 24 years old) was significantly larger than the Midwest or national averages.
- The large increase in the under 5 population across the nation was not reflected in the Midwest or in Minnesota. This age group increased by only 2 percent in Minnesota compared with 11 percent nationally.
- The growth in Minnesota's retirement age population was significantly lower than the Midwest and national averages, due in part to migration to southern states.

Table 1.7 **Distribution of Households by Type, 1990**

Married couple households were the predominant type of household in Minnesota.



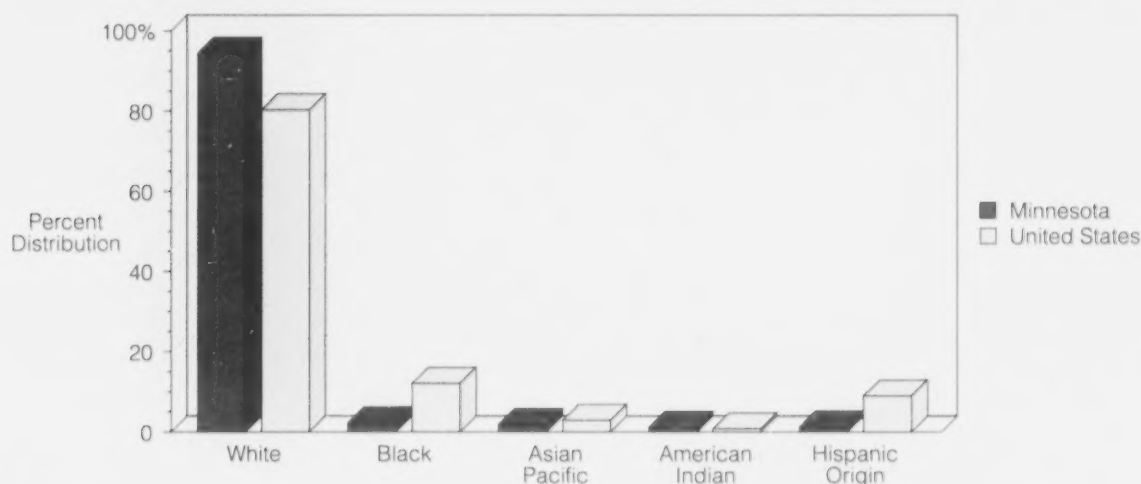
	Percent Distribution					
	Married Couple	Female Householder Family	Male Householder Family	Person Living Alone	Other Non-Family Household	Total Households
Minnesota	57.2%	8.6%	2.8%	25.1%	6.3%	100%
Midwest	56.3	10.9	3.0	25.0	4.7	100
United States	55.1	11.6	3.4	24.6	5.3	100

Source: 1990 Census of Population, U.S. Department of Commerce, Bureau of the Census.

- In 1990, the proportion of female householder families with no spouse present was greater in both the nation and the Midwest than in Minnesota.
- The largest household type was married couples. Minnesota had a higher proportion of married couple households than either the United States or the Midwest.
- Between 1980 and 1990, non-family households with two or more persons were the fastest growing household type; married couple households were the slowest growing.

Table 1.8 Population Distribution by Race and Hispanic Origin, 1990

Minnesota's minority population was less than 7 percent of total state population.



Type	Minnesota		United States		Percent of Population 1990	
	Population 1990 (thousands)	Percent Change 1980-1990	Population 1990 (thousands)	Percent Change 1980-1990	Minnesota	United States
White	4,130	4.9%	199,636	6.0%	94.4%	80.3%
Black	95	78.0	29,986	13.2	2.2	12.1
Asian or Pacific Islander	78	193.5	7,274	107.8	1.8	2.9
American Indian	50	42.5	1,959	37.9	1.1	0.8
Hispanic Origin	54	67.7	22,354	53.0	1.2	9.0
Total Minority*	274	71.7%	60,582	30.9%	6.3%	24.4%

* Persons of Hispanic origin are also included in other categories (white or minority) and are, thus, double-counted. Therefore, data for total minority will not equal the sum of the individual minority population data.

Source: 1990 Census of Population, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's minority population is very small compared to the United States as a whole. In 1990, 94 percent of Minnesota's population was White. American Indians were the only minority group represented at or above the national level.
- Minnesota's minority populations have been growing rapidly. The total minority population grew 72 percent between 1980 and 1990, the fourth fastest growth in the country.
- The Asian and Black populations have had the fastest rates of increase in Minnesota. Between 1980 and 1990, the Asian population nearly tripled while the Black population nearly doubled.

Personal Income 2

Minnesotans derive most of their income from wages and salaries. Between 1983 and 1992, total personal income grew 7 percent to exceed \$91 billion and per capita income grew to \$20,427.

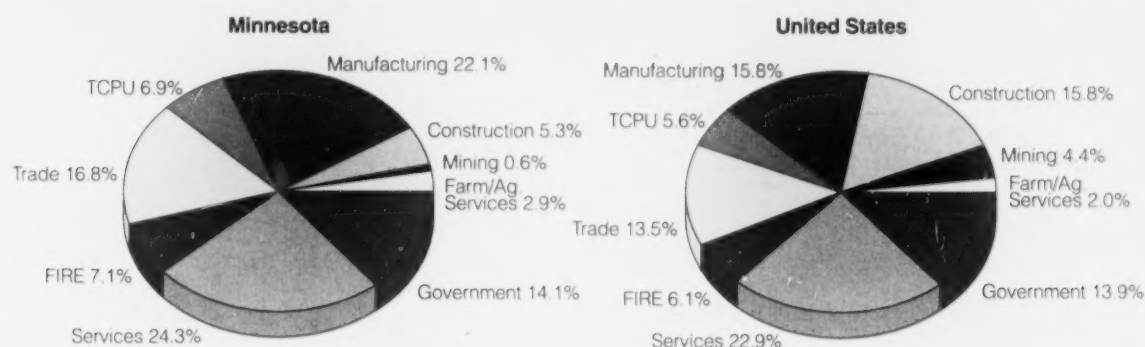
The greatest sources of personal income in Minnesota were generated in the manufacturing and services sectors of the economy. Both sectors made a greater relative contribution to the economy of the state than observed at the national level.

In 1993, the median household disposable income and the percentage of households in the middle and upper middle income groups were higher in Minnesota than in the nation.



Table 2.1 Earned Income by Major Industry, 1992

Manufacturing and services contributed the largest shares to earned income in Minnesota.



Industry	Minnesota Earned Income		United States Earned Income	
	Million Dollars	Distribution	Million Dollars	Distribution
Farm (not proprietary)	\$1,654	2.4%	\$51,314	1.2%
Agricultural Services, Forestry and Fisheries	363	0.5	34,678	0.8
Mining	391	0.6	192,897	4.4
Construction	3,669	5.3	687,718	15.8
Manufacturing	15,446	22.1	689,718	15.8
Durable Goods	8,918	12.8	416,540	9.6
Non-durable Goods	6,528	9.4	273,178	6.3
Transportation, Communications, and Public Utilities (TCPU)	4,803	6.9	245,774	5.6
Trade	11,706	16.8	588,833	13.5
Wholesale Trade	5,109	7.3	235,464	5.4
Retail Trade	6,597	9.5	353,369	8.1
Finance, Insurance and Real Estate (FIRE)	4,943	7.1	267,329	6.1
Services	16,959	24.3	996,663	22.9
Government	9,814	14.1	605,438	13.9
Total Earned Income	\$69,748	100.0%	\$4,360,362	100.0%

Minnesota Total as a Percent of U.S. Total 1.6%

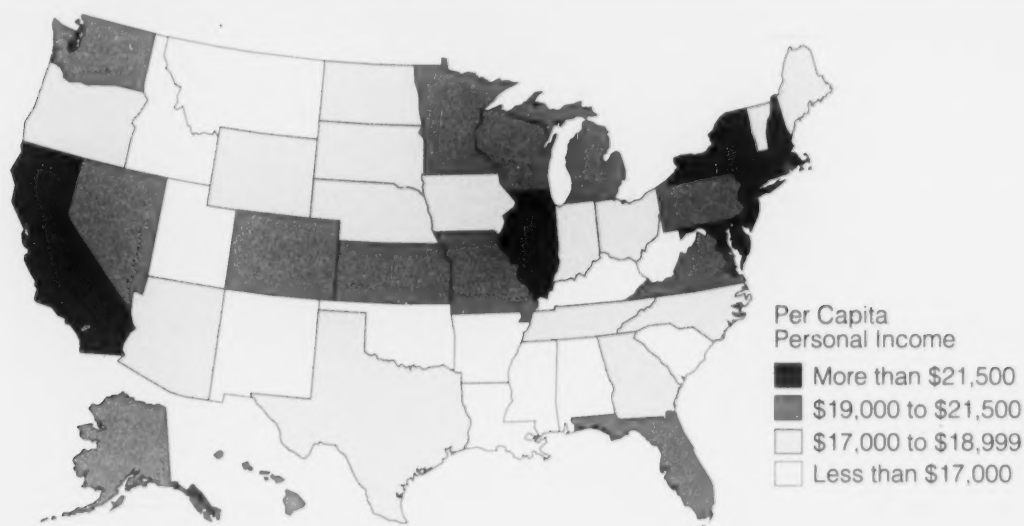
Note: Earned income is the portion of personal income derived from wage and salary employment and proprietorship only.

Source: Survey of Current Business, Vol. 73, number 9, September 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- In 1992, the services industry generated \$17 billion or 24.3 percent of the income earned in Minnesota. This distribution was slightly higher than the 22.9 percent contribution made by the services industry nationally.
- Manufacturing contributed 22.1 percent of earned income to the Minnesota economy, the second largest share. This was significantly higher than the national share of 15.8 percent.
- The trade industry contributed the third largest share of earnings, accounting for 16.8 percent of total earned income. Nationally, the trade industry share was slightly lower (13.5 percent).
- Minnesota derived 2.4 percent of earnings from farming, twice the U.S. share where farming constituted only 1.2 percent of earned income.
- In Minnesota, government activities constituted a 14.1 percent share of earned income, slightly higher than in the nation as a whole.

Table 2.2 Total and Per Capita Personal Income, 1992

Minnesota per capita personal income ranked sixteenth in the nation.



States and Regions	Total Personal Income 1992 (millions)	Annual Average Growth in Personal Income 1983-1992	Annual Growth in Personal Income 1991-1992	Per Capita Personal Income 1992	Percent of U.S. Personal Income Per Capita 1992	U.S. Rank 1992
United States	\$5,130,617	7.2%	6.1%	\$20,114	100%	-
Plains	344,904	6.4	6.6	19,204	95	-
Iowa	52,103	5.9	7.2	18,526	92	27
Kansas	48,807	5.7	7.2	19,348	96	21
Minnesota	91,512	7.1	7.3	20,427	102	16
Missouri	98,963	6.8	5.4	19,058	95	23
Nebraska	30,438	6.1	5.9	18,957	94	24
North Dakota	10,934	3.6	9.1	17,193	85	37
South Dakota	12,147	6.5	6.7	17,081	85	38
Great Lakes	849,274	6.6	6.4	19,865	99	-
Illinois	255,651	6.7	6.6	21,980	109	9
Indiana	104,204	6.8	7.4	18,405	92	30
Michigan	185,713	6.7	5.5	19,680	98	19
Ohio	207,769	6.2	6.3	18,860	94	25
Wisconsin	95,936	6.6	6.9	19,162	95	22

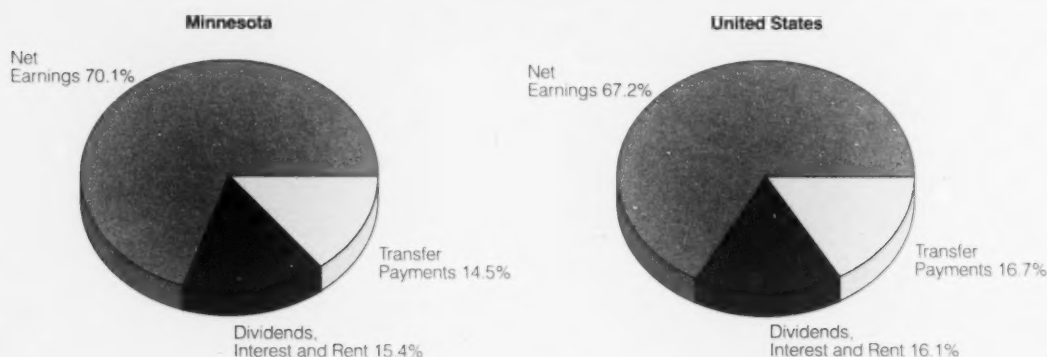
Note: Personal income is the current income received by persons from all sources less their personal contributions to social security insurance.

Source: Survey of Current Business, Vol. 73, number 9, September 1993 and Vol. 64, number 8, August 1984, U.S. Department of Commerce, Bureau of Economic Analysis.

- In 1992, per capita personal income in Minnesota was \$20,427, exceeding the United States average by almost 2 percent.
- Between 1983 and 1992, Minnesota had the highest annual average growth in personal income among the Midwestern states. However, the annual growth rate of 7.1 percent in Minnesota lagged slightly behind the national rate of 7.2 percent.
- In the Midwest, Minnesota ranked second to Illinois in per capita personal income. Nationally, Minnesota ranked sixteenth and Illinois ranked ninth.
- Annual average growth in personal income between 1983 and 1992 ranged widely in the Midwest, from 7.1 percent in Minnesota to 3.6 percent in North Dakota.

Table 2.3 Personal Income by Major Source, 1992

Minnesota's major source of personal income was from wages and salaries.



Source	Minnesota Personal Income		United States Personal Income	
	Million Dollars	Distribution	Million Dollars	Distribution
Wages and Salaries	\$56,520	61.8%	\$2,963,744	57.8%
Other Labor Income	6,174	6.7	322,430	6.3
Proprietors' Income	7,054	7.7	410,536	8.0
Farm	1,298	1.4	39,958	0.8
Non-farm	5,756	6.3	370,578	7.2
Total Earnings	\$69,748	76.2%	\$3,696,710	72.1%
LESS Personal Contributions to Social Security	5,152	5.6	248,683	4.8
PLUS Adjustment for Residency*	-458	-0.5	-784	-0.0
EQUALS Net Earnings	\$64,138	70.1%	\$3,447,243	67.2%
PLUS Dividends, Interest and Rent	14,080	15.4	825,741	16.1
PLUS Transfer Payments	13,294	14.5	857,633	16.7
EQUALS Total Personal Income	\$91,512	100.0%	\$5,130,617	100.0%

Minnesota Total as a Percent of U.S. Total 1.8%

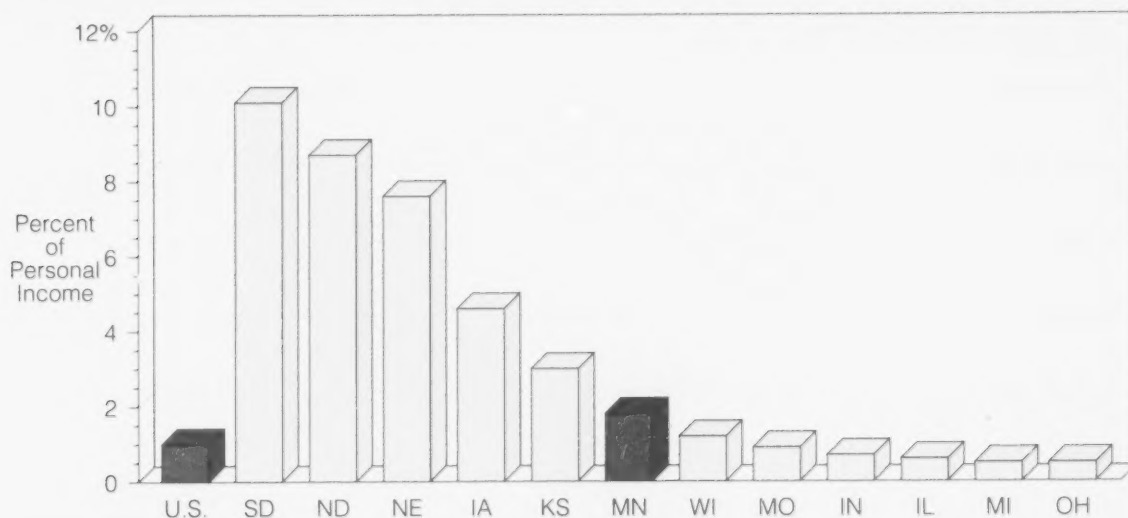
* Adjustment for residency consists of adjustment for border workers.

Source: Survey of Current Business, Vol. 73, number 9, September 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- Wages and salaries made up 61.8 percent of personal income in Minnesota and only 57.8 percent of personal income in the United States in 1992.
- The share of proprietors' income from Minnesota farms was 1.4 percent, 75 percent larger than the 0.8 percent share in the nation as a whole.
- Dividends, interest and rent was the second most important source of personal income in Minnesota. Minnesotans derived 15.4 percent of their income from this source, slightly less than the national share of 16.1 percent.
- In Minnesota, transfer payments accounted for a slightly lower percentage of personal income than dividends, interest and rent; in the U.S. as a whole, transfer payments contributed a slightly higher share.

Table 2.4 Farm Income as a Percent of Personal Income, 1992

Minnesota's share of income derived from farming ranked sixteenth in the nation.



States and Regions	Total Personal Income (millions)	Farm Income (millions)	Farm Income as a Percent of Total	U.S. Rank
United States	\$5,130,617	\$51,314	1.0%	-
Midwest	1,194,178	16,249	1.4	-
Plains	344,904	10,885	3.2	-
Iowa	52,103	2,386	4.6	6
Kansas	48,807	1,442	3.0	9
Minnesota	91,512	1,654	1.8	16
Missouri	98,963	904	0.9	30
Nebraska	30,438	2,322	7.6	4
North Dakota	10,934	953	8.7	3
South Dakota	12,147	1,224	10.1	2
Great Lakes	849,274	5,364	0.6	-
Illinois	255,651	1,653	0.6	35
Indiana	104,204	774	0.7	33
Michigan	185,713	865	0.5	38
Ohio	207,769	954	0.5	39
Wisconsin	95,936	1,117	1.2	22

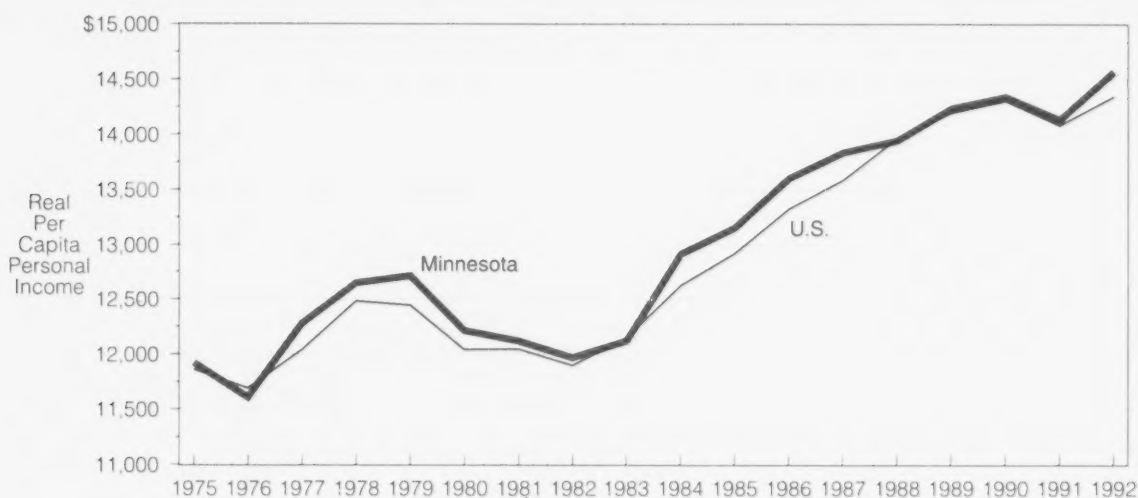
Note: Personal income is the current income received by persons from all sources less their personal contributions to social security insurance.

Source: Survey of Current Business, Vol. 73, number 9, September 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- Minnesota's farm income as a share of personal income decreased by 40 percent, falling from 3.0 percent in 1990 to 1.8 percent in 1992.
- Among the Plains states, only Missouri derived a smaller share of its income from farming than Minnesota.
- The share of income derived from farming in Minnesota is higher than both the national farming share of 1.0 percent and the Midwest share of 1.4 percent.

Table 2.5 Historical Real Per Capita Personal Income, 1975-1992

Minnesota's growth in real per capita income was stronger than the national growth.



Year	Real Per Capita Personal Income		Real Per Capita Personal Income Annual Growth	
	Minnesota	United States	Minnesota	United States
1975	\$11,920	\$11,861	-	-
1976	11,606	11,689	-2.6%	-1.5%
1977	12,274	12,036	5.8	3.0
1978	12,643	12,479	3.0	3.7
1979	12,708	12,442	0.5	-0.3
1980	12,211	12,038	-3.9	-3.3
1981	12,118	12,045	-0.8	0.1
1982	11,966	11,896	-1.3	-1.2
1983	12,117	12,147	1.3	2.1
1984	12,906	12,622	6.5	3.9
1985	13,145	12,914	1.9	2.3
1986	13,593	13,318	3.4	3.1
1987	13,826	13,577	1.7	1.9
1988	13,934	13,957	0.8	2.8
1989	14,228	14,189	2.1	1.7
1990	14,331	14,296	0.7	0.8
1991	14,124	14,074	-1.4	-1.6
1992	14,560	14,336	3.1	1.9

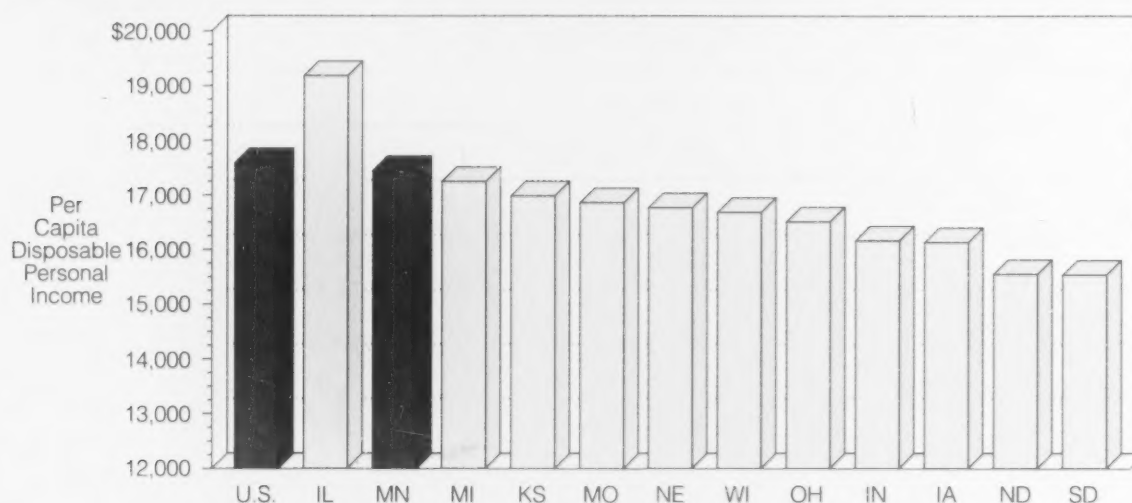
Note: Real personal income is adjusted for inflation based on the Consumer Price Index, which is based on 1982-1984 dollars.

Source: Survey of Current Business, Vols. 56 to 72, number 8, August 1976 through 1992 and Vol. 73, number 9, September 1993, United States Department of Commerce, Bureau of Economic Analysis.

- Real per capita personal income growth in Minnesota was 3.1 percent between 1991 and 1992, almost two-thirds higher than the national growth rate of 1.9 percent.
- Although more variable than the national average, Minnesota real per capita personal income tended to follow the national trend.
- Between 1983 and 1992, Minnesota's annual growth in per capita income remained strong enough to maintain a higher personal income in the state than the averages for the nation and the Midwest.

Table 2.6 Total and Per Capita Disposable Personal Income, 1992

Minnesota per capita disposable income ranked second in the Midwest.



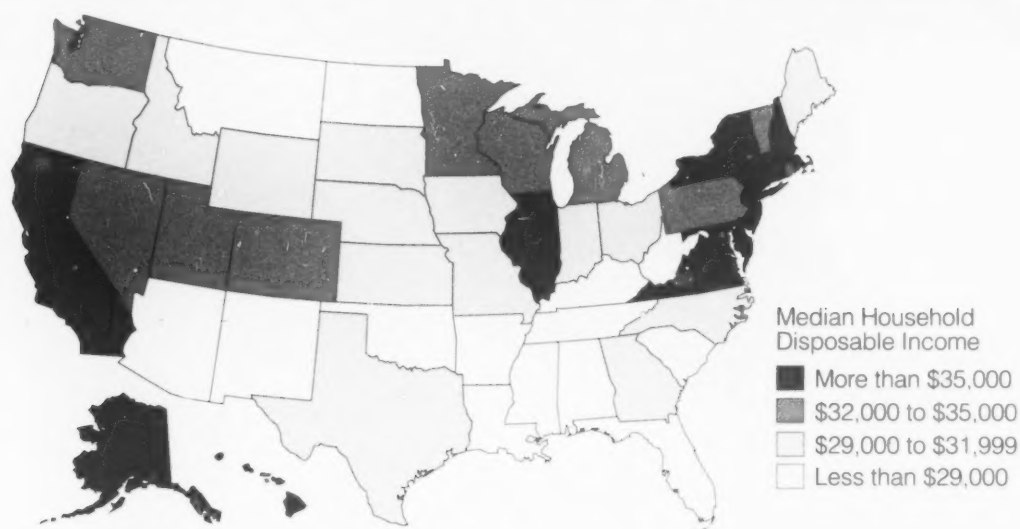
States and Regions	Per Capita Disposable Personal Income 1992	Percent of National Average 1992	U.S. Rank	Total Disposable Personal Income 1992 (millions)	Percent Change 1991-1992
United States	\$17,588	100.0%	-	\$4,486,382	6.5%
Plains	16,806	95.6	-	301,848	6.9
Iowa	16,138	91.8	32	45,388	7.6
Kansas	16,988	96.6	21	42,853	7.8
Minnesota	17,448	99.2	17	78,168	7.7
Missouri	16,864	95.9	22	87,567	5.5
Nebraska	16,774	95.4	23	26,932	6.1
North Dakota	15,553	88.4	36	9,890	9.7
South Dakota	15,537	88.3	37	11,049	6.8
Great Lakes	17,378	98.8	-	742,945	6.0
Illinois	19,183	109.1	8	223,119	6.3
Indiana	16,168	91.9	31	91,539	6.2
Michigan	17,250	98.1	20	162,786	5.6
Ohio	16,517	93.9	26	181,956	5.9
Wisconsin	16,687	94.9	24	83,546	6.3

Source: Survey of Current Business, Vol. 73, number 9, September 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- Minnesota, with a per capita disposable income of \$17,448, ranked seventeenth nationally and first among the Plains states in 1992.
- In the Midwest, Minnesota ranked second after Illinois, which had a 10 percent greater per capita disposable personal income.
- Growth in total disposable income in Minnesota of 7.7 percent between 1991 and 1992 was greater than any other Midwestern state except Kansas and North Dakota, and 1.2 percentage points greater than the national average.
- Per capita disposable income in Minnesota was 0.8 percent less than the national average of \$17,588.

Table 2.7 **Average and Median Household Disposable Income, 1992**

Minnesota median household disposable income ranked sixteenth in the nation.



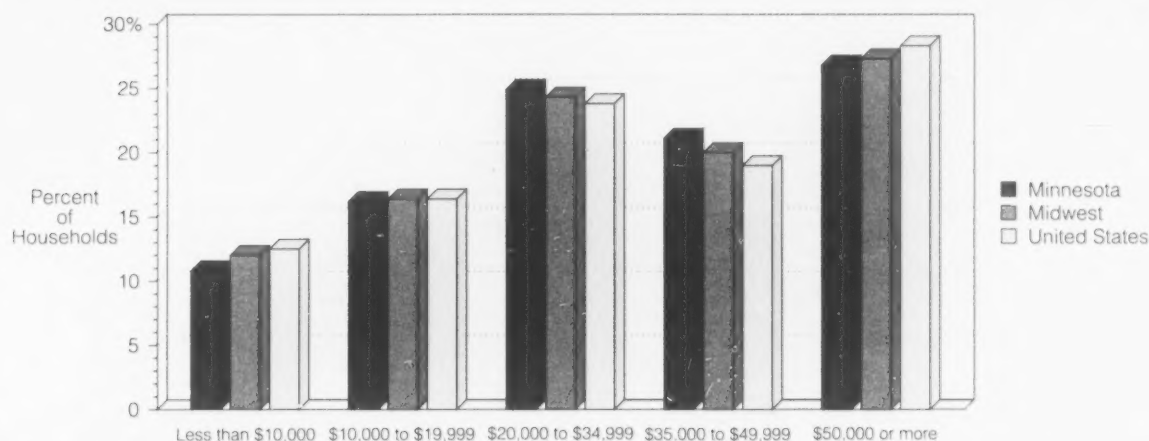
States and Regions	Median Household Disposable Income	U.S. Rank	Average Household Disposable Income	U.S. Rank
United States	\$33,178	-	\$41,302	-
Plains	31,701	-	33,970	-
Iowa	31,132	31	37,087	34
Kansas	31,669	27	39,060	23
Minnesota	33,770	16	39,846	20
Missouri	30,717	34	37,766	30
Nebraska	31,716	26	38,311	25
North Dakota	28,707	38	34,983	42
South Dakota	31,022	32	38,133	27
Great Lakes	33,970	-	40,910	-
Illinois	37,600	9	45,977	11
Indiana	31,655	28	37,535	32
Michigan	34,282	14	40,838	16
Ohio	31,924	24	38,221	26
Wisconsin	33,587	17	39,291	22

Source: Sales and Marketing Management, August 1993, Bill Communication Inc.

- One-half the households in Minnesota commanded household disposable incomes greater than \$33,770 in 1992. This was 2 percent higher than the national level of median household disposable income.
- Minnesota ranked twentieth in the nation in average household disposable income and sixteenth in median household disposable income in 1992.
- Minnesota had the highest average household disposable income among the Plains states.
- The difference between median and average household disposable incomes was greater in the U.S. than in Minnesota. This reflects a greater income disparity at the national level than in Minnesota.
- In the Midwest, only Illinois and Michigan had higher median and average disposable household incomes than Minnesota.

Table 2.8 **Distribution of Households by Effective Buying Power, 1992**

Minnesota had a higher share of middle income households than the nation.



<i>States and Regions</i>	<i>Less than \$10,000</i>	<i>\$10,000 to \$19,999</i>	<i>\$20,000 to \$34,999</i>	<i>\$35,000 to \$49,999</i>	<i>\$50,000 or more</i>	<i>Total Households (thousands)</i>
United States	12.5%	16.4%	23.8%	19.0%	28.3%	94,836
Midwest	12.0	16.4	24.3	20.0	27.3	22,779
Plains	12.2	17.5	25.7	19.9	24.7	6,876
Iowa	11.7	18.0	26.9	20.4	22.9	1,081
Kansas	12.2	17.5	25.8	19.5	25.1	969
Minnesota	10.8	16.2	24.9	21.1	26.8	1,702
Missouri	14.4	19.1	26.5	20.0	20.0	1,893
Nebraska	11.1	17.8	26.6	20.2	24.2	615
North Dakota	13.9	19.6	27.3	18.7	20.6	242
South Dakota	12.4	18.1	25.9	19.6	24.0	266
Great Lakes	11.9	15.9	23.8	20.0	28.4	15,903
Illinois	11.1	13.8	21.5	19.4	34.2	4,268
Indiana	11.8	17.5	26.3	20.7	23.7	2,114
Michigan	12.6	15.9	22.6	19.5	29.4	3,479
Ohio	13.1	16.8	25.0	20.1	25.0	4,170
Wisconsin	10.1	16.9	25.3	21.4	26.3	1,872

Note: Effective buying power is disposable personal income per household.

Source: Sales and Marketing Management, August 1993, Bill Communications Inc.

- In 1992, Minnesota had the smallest share of households with less than \$10,000 of buying power among the Plains states, and the second smallest, after Wisconsin, among the Midwestern states. In Minnesota, only 10.8 percent of households fell in this class compared with an average of 12.2 percent for the Plains states, 12.0 percent for the Midwestern states, and 12.5 percent for the nation.
- Minnesota had 26.8 percent of households in the upper income class (\$50,000 or more). This represented a greater share of households than in any of the Plains states. In the Midwest, only Illinois and Michigan had greater levels in the upper income class.

Industry Mix 3

The manufacturing and services industries are Minnesota's leading sources of income and gross state product. From 1982 to 1990, Minnesota gross state product (GSP) increased 4 percentage points faster than United States gross domestic product (GDP).

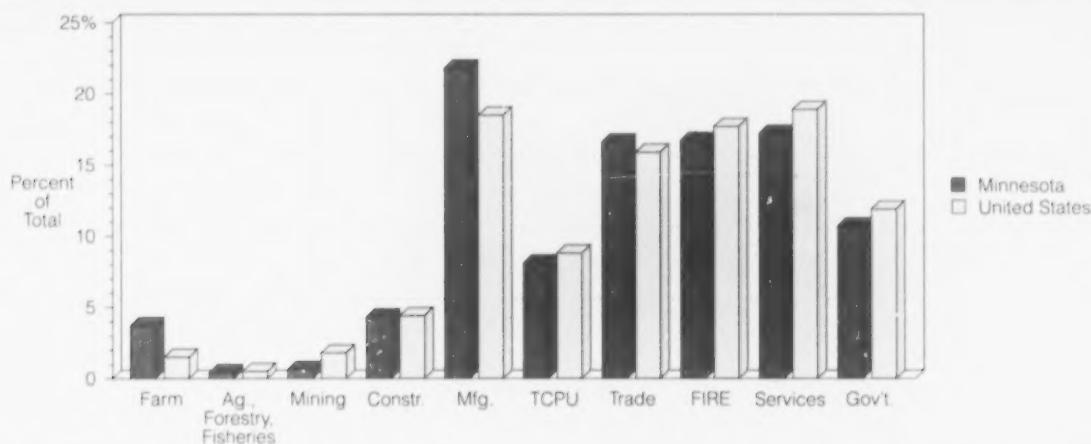
The services industry provided the largest number of new jobs in both Minnesota and the U.S. between 1983 and 1992. Almost one-third of Minnesota's total employment increase was in the services industry during that time. Companies in the trade, manufacturing and FIRE industries also contributed a substantial number of new jobs. Large corporations provided almost half of all non-farm jobs and more than half of the state's total payroll in 1991.

Minnesota ranked fifth in the nation in 1992 in the number of Fortune 500 companies per million residents. Most of these large Minnesota companies are leaders in national and international manufacturing, banking, transportation, insurance and food distribution.



Table 3.1 Gross State Product by Industry, 1990

The manufacturing industry provided more gross state product in Minnesota than any other industry.



Industry	Minnesota (millions)	Percentage of Total Minnesota	United States (millions)	Percentage of Total United States	Minnesota as a Percent of U.S.
Farm	\$3,706	3.7%	\$84,984	1.5%	4.4%
Agricultural Services, Forestry and Fisheries	397	0.4	26,324	0.5	1.5
Mining	600	0.6	98,524	1.8	0.6
Construction	4,283	4.3	241,324	4.4	1.8
Manufacturing	21,755	21.8	1,018,265	18.5	2.1
Durable Goods	11,866	11.9	563,357	10.2	2.1
Non-durable Goods	9,889	9.9	454,907	8.3	2.2
Transportation, Communications, Public Utilities (TCPU)	8,081	8.1	481,945	8.8	1.7
Trade	16,610	16.6	875,573	15.9	1.9
Wholesale	7,427	7.4	359,731	6.5	2.1
Retail	9,183	9.2	515,842	9.4	1.8
Finance, Insurance, Real Estate (FIRE)	16,669	16.7	974,746	17.7	1.7
Services	17,201	17.2	1,041,001	18.9	1.7
Government	10,705	10.7	656,108	11.9	1.6
Federal Civilian	1,959	2.0	137,256	2.5	1.4
Federal Military	265	0.3	65,295	1.2	0.4
State and Local	8,481	8.5	453,557	8.2	1.9
Total	\$100,005	100.0%	\$5,498,793	100.0%	1.8%

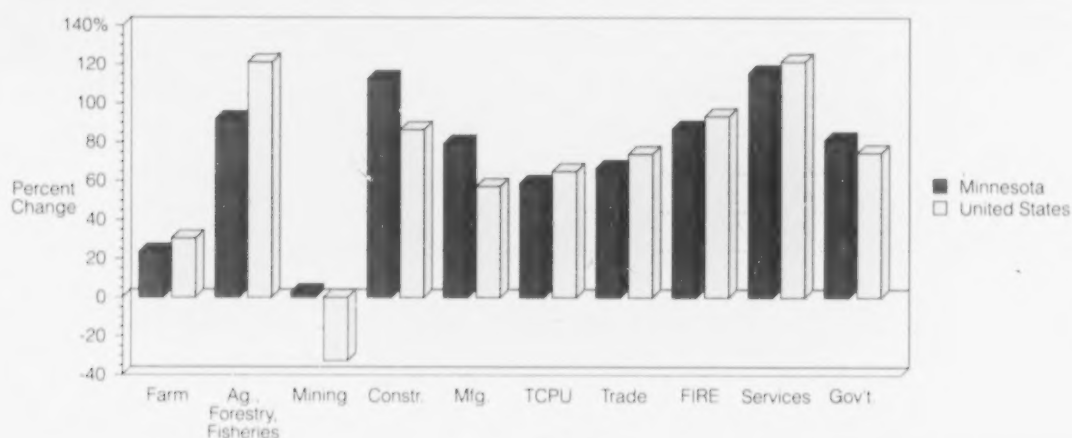
Note: The Bureau of Economic Analysis revised its estimation method after the previous GSP estimates were issued. This revised method was used to develop new estimates for previous years in addition to the most current, 1990, estimates.

Source: Survey of Current Business, December 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- Minnesota gross state product (GSP) in 1990 was just over \$100 billion, which was 1.8 percent of U.S. gross domestic product (GDP) of \$5,499 billion. This is equivalent to \$22,858 GSP per capita in Minnesota compared to \$22,109 average for the U.S.
- The manufacturing industry was the largest single source of Minnesota GSP in 1990, contributing \$22 billion. This was 22 percent of total GSP for Minnesota, 3 percentage points higher than the manufacturing share of U.S. GDP.
- Other significant sources of GSP in Minnesota were the trade, FIRE, and services sectors. GSP generated by these industries ranged from \$16.6 billion to \$17.2 billion in 1990, over twice the amount derived from any other private industry.
- GSP from farms was 3.7 percent of the total for Minnesota, more than twice the percentage contributed to United States GDP. The Minnesota farming industry accounted for 4.4 percent of all farm industry GDP in the U.S.

Table 3.2 Growth of Minnesota Gross State Product, 1982 to 1990

Minnesota gross state product increased 79 percent.



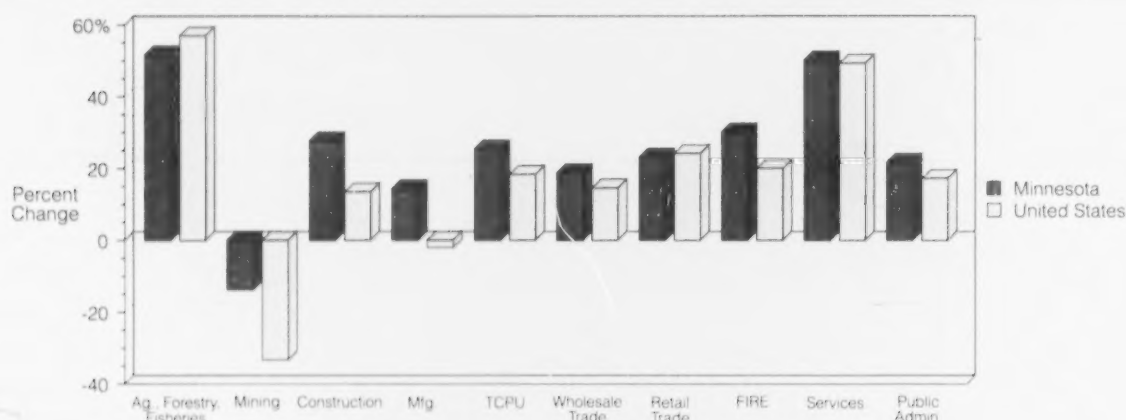
Industry	Minnesota 1990 (millions)	Percent Change 1982-1990	
		Minnesota	U.S.
Farm	\$ 3,706	23.5%	30.5%
Agricultural Services, Forestry and Fisheries	397	91.8	121.3
Mining	600	2.7	-32.6
Construction	4,283	112.7	86.5
Manufacturing	21,755	79.3	57.3
Durable Goods	11,866	69.1	51.1
Non-durable Goods	9,889	93.1	65.6
Transportation, Communications, Public Utilities (TCPU)	8,081	58.8	65.0
Trade	16,610	66.6	74.0
Wholesale	7,427	56.9	66.1
Retail	9,183	75.4	80.0
Finance, Insurance, Real Estate (FIRE)	16,669	86.9	93.4
Services	17,201	115.6	121.6
Government	10,705	81.1	74.7
Federal Civilian	1,959	98.5	65.8
Federal Military	265	85.3	40.3
State and Local	8,481	77.4	84.2
Total	\$100,005	79.2%	74.9%

Source: Survey of Current Business, December 1993, U.S. Department of Commerce, Bureau of Economic Analysis.

- GSP in Minnesota increased 79 percent between 1982 and 1990, compared to growth of 75 percent in U.S. GDP over the same period.
- GSP growth in Minnesota's manufacturing sector was 79 percent, 39 percent more than U.S. GDP growth in that sector. Non-durable goods manufacturing, which increased by 93 percent, was primarily responsible for the high growth in manufacturing.
- The largest growth in GSP was in the services sector, which grew 116 percent. Despite this high growth rate, however, it lagged behind U.S. GDP growth in the services sector of 122 percent.
- GSP from the construction industry more than doubled during the 1982-1990 period, reaching \$4 billion in 1990. This growth was 30 percent greater than the 87 percent change in U.S. construction GDP during the same period.
- Mining GSP experienced less growth than any other Minnesota industry, increasing by only 2.7 percent. This was much better, however, than the 33 percent decrease in U.S. mining GDP.

Table 3.3 **Employment and Employment Growth by Industry, 1983 to 1992.**

Employment in non-farm industries increased by 27 percent in Minnesota.



Industry	Minnesota Employment		Percent Change 1983-1992		Percent Distribution 1992	
	1983	1992	Minnesota	United States	Minnesota	United States
Ag. Services, Forestry and Fisheries	6,429	9,755	51.7%	56.8%	0.5%	0.7%
Mining	8,982	7,744	-13.8	-33.4	0.4	0.6
Construction	60,437	77,192	27.7	12.7	3.7	4.2
Manufacturing	346,711	396,263	14.3	-2.8	18.8	16.9
Transportation, Communications, Public Utilities (TCPU)	81,997	102,861	25.4	17.9	4.9	5.1
Wholesale Trade	109,450	130,054	18.8	14.0	6.2	5.7
Retail Trade	320,980	395,026	23.1	23.5	18.8	18.2
Finance, Insurance, Real Estate (FIRE)	98,725	128,403	30.1	19.4	6.1	6.1
Services	365,766	549,330	50.2	48.5	26.1	25.5
Public Administration	254,761	309,958	21.7	15.5	14.7	16.9
Total Non-farm Employment	1,654,238	2,106,586	27.4%	19.7%	100.0%	99.9%*

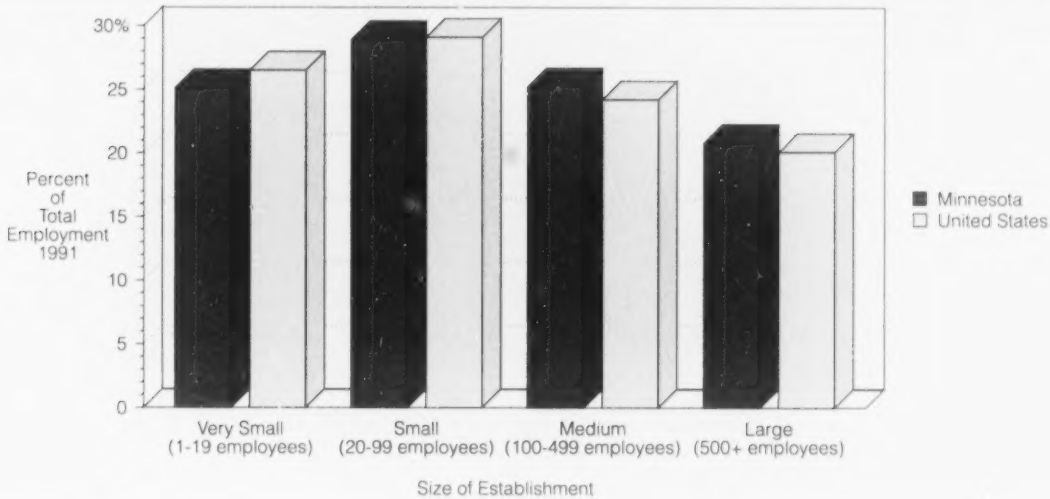
* Because U.S. data includes non-classifiable establishments not shown separately, total does not equal 100 percent.

Source: *Employment and Wages Annual Averages, 1983 and 1992*, U.S. Department of Labor, Bureau of Labor Statistics.
Minnesota: Employment and Wages, 1992, Minnesota Department of Jobs and Training, Research and Statistics Office.
Average Covered Employment and Wages, 1983, Minnesota Department of Economic Security, Statistical Services Office.

- Employment in non-farm industries in Minnesota increased by 452,348 between 1983 and 1992. This 27 percent increase was about one-third greater than the growth in U.S. non-farm employment.
- Almost 550,000 people, 1 of every 4 employed, worked in Minnesota's services industry in 1992. The 50 percent employment increase in this industry between 1983 and 1992 (183,564 employees) accounted for over 40 percent of the total increase in Minnesota employment during this period.
- Manufacturing employment increased over 14 percent to almost 400,000 in 1992. This contrasted sharply with the 2.8 percent decrease in national manufacturing industry employment.
- Employment in the FIRE industry also grew at a high rate (30 percent), increasing from 98,725 employees in 1983 to 128,403 in 1992. This was 50 percent higher than the U.S. FIRE industry, which grew by 19.4 percent.
- Mining was the only industry where employment decreased between 1983 and 1992 in both Minnesota and the U.S., dropping by almost 14 percent in Minnesota and 33 percent in the U.S.

Table 3.4 **Distribution of Employment by Size of Establishment, 1982 and 1991**

A larger share of employed Minnesotans worked in business establishments with 20 to 99 employees.



Size of Establishment	Number of Employees*		Percent Change 1982-1991		Percent Distribution 1991	
	1982	1991	Minnesota	United States	Minnesota	United States
Very Small (1-19 employees)	381,140	461,912	21.2%	23.0%	25.1%	26.5%
Small (20-99 employees)	408,507	532,356	30.3	27.3	28.9	29.1
Medium (100-499 employees)	343,239	464,777	35.4	28.2	25.2	24.2
Large (500 or more employees)	301,620	383,106	27.0	17.3	20.8	20.1
Total	1,434,506	1,842,151	28.4%	24.2%	100.0%	100.0%

* Excludes government employees, railroad employees, and the self-employed.

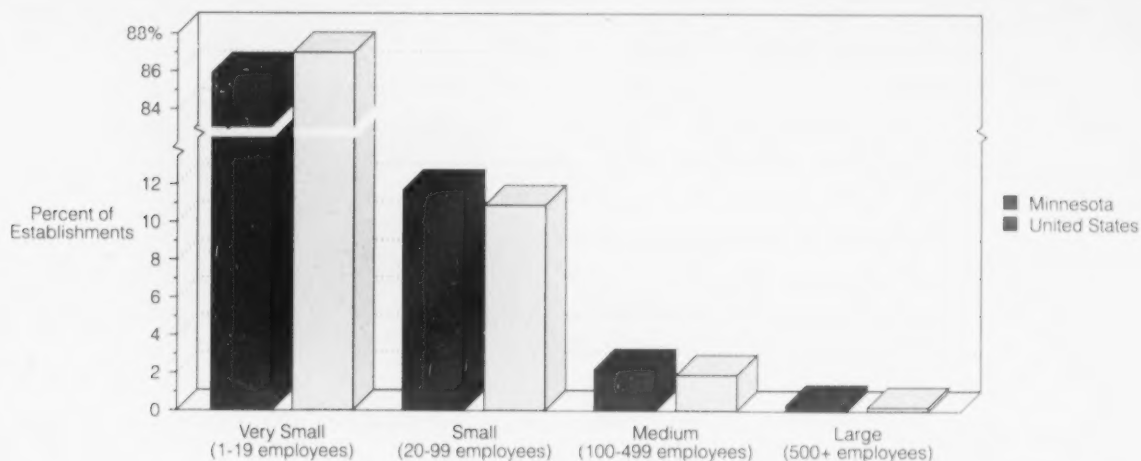
Note: Business establishments are single location production units that are either independently-owned or a branch/subsidiary of a large company.

Source: County Business Patterns, 1982 and 1991, U.S. Department of Commerce, Bureau of the Census.

- Small establishments, those with 20 to 99 employees, provided a larger share of total non-farm jobs than establishments in any other size class. Nearly 30 percent of all employed Minnesotans worked for a business establishment of this size in 1991.
- Employment growth between 1982 and 1991 was greatest in medium-sized companies, where employment grew over 35 percent in Minnesota. This was 5 percentage points greater than employment growth in small establishments.
- Employment growth in Minnesota was more than the U.S. average in the three largest size classes. The national average growth in very small establishments between 1982 and 1991 was 23 percent, 2 percentage points more than in Minnesota.
- The proportion of Minnesota total employment in small and very small establishments was slightly below the national average in 1991, while the proportion in medium and large establishments was above the U.S. average.

Table 3.5 **Distribution of Minnesota Establishments by Industry and Size, 1991**

Over four-fifths of Minnesota business establishments employed fewer than 20 workers.



Sector	Total Establishments	Percent of Total Establishments			
		Very Small (1-19 employees)	Small (20-99 employees)	Medium (100-499 employees)	Large (500 or more employees)
Agricultural Services, Forestry and Fisheries	1,420	95.4%	4.2%	0.4%	0.0%
Mining	168	87.5	7.7	1.8	3.0
Construction	10,595	93.3	6.0	0.7	0.0
Manufacturing	7,684	66.5	23.6	8.4	1.5
Transportation, Communications, Public Utilities (TCPU)	4,978	83.2	13.9	2.7	0.3
Wholesale Trade	9,896	85.1	13.3	1.5	0.1
Retail Trade	28,052	83.4	15.0	1.5	0.1
Finance, Insurance, Real Estate (FIRE)	10,063	89.4	9.0	1.3	0.3
Services	38,919	87.9	9.5	2.3	0.3
Total Minnesota*	114,342	85.9%	11.7%	2.2%	0.3%
Total United States	6,200,650	87.0%	10.9%	1.9%	0.2%

* Columns do not add to totals because of unclassified establishments.

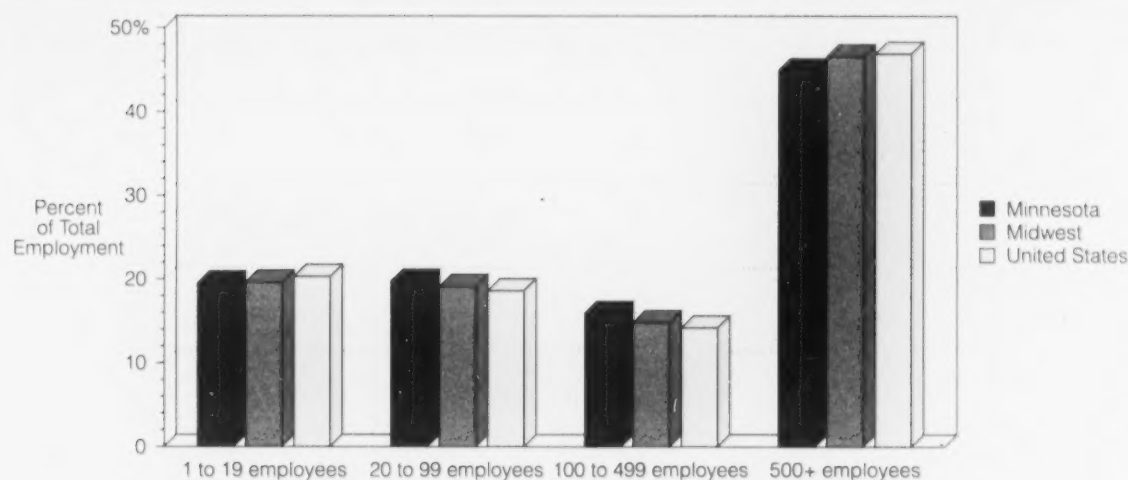
Note: Business establishments are single location production units that are either independently owned or a branch/subsidiary of a large company.

Source: *County Business Patterns, 1991*, U.S. Department of Commerce, Bureau of the Census.

- A vast majority, over 85 percent, of business establishments in Minnesota employed less than 20 workers in 1991.
- Manufacturing establishments tend to be larger than establishments in other industries. The manufacturing sector had the highest concentration (10 percent) of establishments with 100 or more employees and the smallest proportion (67 percent) of establishments with less than 20 employees.
- The agricultural services sector had the highest concentration (over 95 percent) of establishments that employed less than 20 workers. Over 99 percent of the establishments in this sector employed less than 100 people.
- The mining industry, with 3 percent of business establishments reporting 500 or more employees, had the highest percentage of large establishments.

Table 3.6 **Distribution of Firms, Employment and Payroll by Size of Firm, 1991**

Almost 45 percent of employed Minnesotans worked for firms with 500 or more employees.



		Percent of Total			
		Very Small (1-19 employees)	Small (20-99 employees)	Medium (100-499 employees)	Large (500 or more employees)
<i>Total Number of Firms</i>					
Minnesota	96,539	85.9%	9.9%	2.2%	1.9%
Midwest	1,214,402	86.5	9.6	2.1	1.8
United States	5,051,025	89.7	8.7	1.4	0.3
<i>Total Employment</i>					
Minnesota	1,842,020	19.5%	19.7%	15.9%	44.9%
Midwest	22,995,173	19.6	19.1	14.8	46.6
United States	92,307,559	20.3	18.6	14.2	46.9
<i>Total Annual Payroll (thousands)</i>					
Minnesota	\$46,152,986	14.9%	16.0%	13.5%	55.6%
Midwest	523,546,495	16.4	16.6	13.3	53.7
United States	2,145,015,851	17.8	16.4	13.0	52.8

Note: Firms may own more than one establishment.

Source: Unpublished data, U.S. Small Business Administration.

- The largest concentration of employment in Minnesota in 1991 was in firms with 500 or more employees. Almost 45 percent of employed Minnesotans worked in these large firms, slightly below the average for the Midwest states and the U.S.
- In 1991, 86 percent of all firms in Minnesota were classified as very small (less than 20 employees). This proportion was less than both the Midwest rate of 87 percent and the U.S. rate of 90 percent.
- Average wages in Minnesota were 62 percent higher in large firms than in very small firms. In all geographic areas, large firms paid higher average salaries than firms in the other three size categories. Over half of the payroll in Minnesota, the Midwest and the U.S. came from large firms. In Minnesota, large firms accounted for 56 percent of total payroll, compared with 54 percent in the Midwest and 53 percent in the U.S.

Table 3.7 Employment by Manufacturing Industry, 1992

Employment in Minnesota manufacturing industries grew over 14 percent between 1983 and 1992, while declining almost 3 percent in the United States.

SIC Code	Industry	Minnesota Employment 1992	Percent Change 1983-1992	
			Minnesota	U.S.
35	Industrial Machinery and Equipment*	72,993	-8.3%	-5.7%
27	Printing and Publishing	51,894	42.8	14.9
20	Food and Kindred Products	50,873	10.4	1.1
38	Instruments and Related Products	34,148	28.6	31.8
26	Paper and Allied Products	33,405	3.1	4.0
34	Fabricated Metal Products	31,567	-3.5	-3.3
36	Electronic and Other Electric Equipment	30,679	16.7	-25.4
24	Lumber and Wood Products	17,294	55.4	4.2
30	Rubber and Misc. Plastics Products	16,046	61.2	22.7
37	Transportation Equipment	11,386	95.8	5.4
28	Chemicals and Allied Products	10,523	37.9	1.4
32	Stone, Clay and Glass Products	7,935	-6.5	-11.1
39	Miscellaneous Manufacturing Industries	7,103	19.7	-2.5
33	Primary Metal Industries	5,924	7.7	-16.5
25	Furniture and Fixtures	5,497	52.3	5.3
23	Apparel and Other Textile Products	3,096	5.7	-15.5
29	Petroleum and Coal Products	2,007	16.4	-20.2
31	Leather and Leather Products	1,971	-2.0	-43.7
22	Textile Mill Products	1,922	-3.3	-10.2
Total Manufacturing		396,263	14.3%	-2.8%

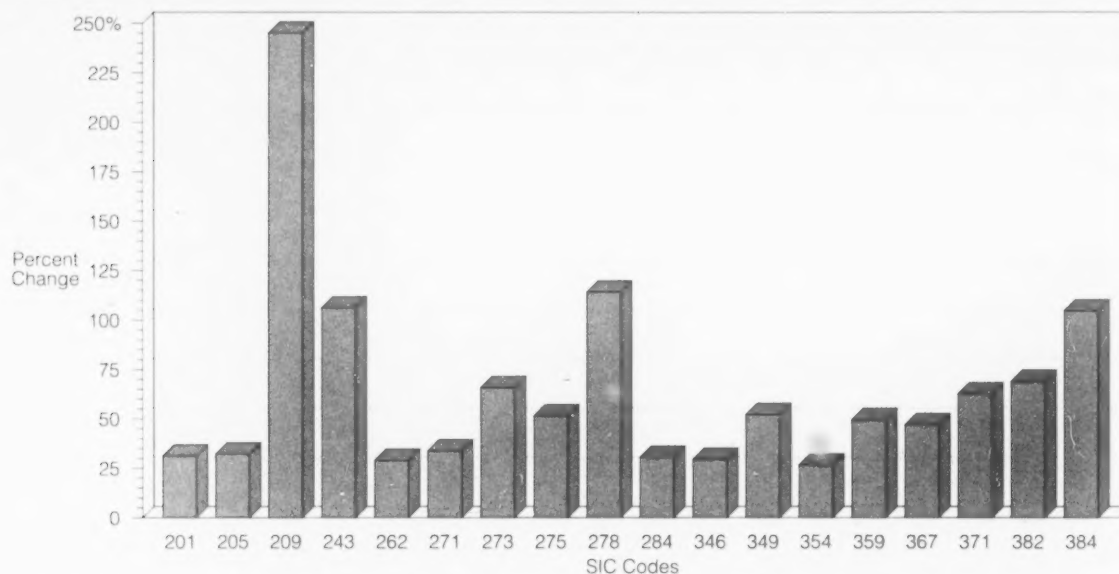
* Includes computers.

Source: *Employment and Wages Annual Averages*, 1983 and 1992, U.S. Department of Labor, Bureau of Labor Statistics.
Minnesota Employment and Wages, 1992, Minnesota Department of Jobs and Training, Research and Statistics Office.
Average Covered Employment and Wages, 1983, Minnesota Department of Economic Security, Statistical Services Office.

- Employment in Minnesota manufacturing industries increased over 14 percent from 1983 to 1992, while manufacturing employment nationwide declined by 2.8 percent.
- Although employment in industrial machinery manufacturing, which includes computers, declined between 1983 and 1992, it remained the largest manufacturing employer in Minnesota in 1992. The strength of the high-tech industry in Minnesota is further demonstrated by the strong growth in both the instruments and electronic components manufacturing industries.
- The printing and publishing industry is the second largest manufacturing industry in Minnesota with nearly 52,000 employees in 1992. Between 1983 and 1992, employment growth was very strong in this industry, increasing by 43 percent in Minnesota compared to 15 percent in the U.S.
- Minnesota's abundant natural resources in forestry and agriculture support continued growth in the wood products and food processing industries. Between 1983 and 1992, employment increased by more than 50 percent in each of two wood products manufacturing industries (lumber and furniture), compared to the national average growth of 4 percent and 5 percent, respectively. Although food products manufacturing displayed slower employment growth of 10 percent, almost 51,000 Minnesotans were employed in this industry in 1992.
- Employment growth between 1983 and 1992 was greatest in the transportation equipment industry, which grew 96 percent to over 11,000 workers in 1992. This compares to growth of only 5.4 percent in the U.S. as a whole.
- In addition to industrial machinery manufacturing, other Minnesota industries that showed employment decreases during this decade were stone, clay and glass products, fabricated metal products, leather products, and textile mill products.

Table 3.8 **Rapidly Growing Manufacturing Industries in Minnesota, 1982 to 1991**

The range of products produced by Minnesota's fastest growing manufacturing industries illustrates the strength and diversity of the manufacturing sector.



SIC Code	Industry	Percent Change 1982-1991	Employment Level 1991	Location Quotient 1991
201	Meat Products	31.2%	13,506	1.60
205	Bakery Products	32.2	3,109	0.73
209	Miscellaneous Food and Kindred Products	245.1	4,410	1.22
243	Millwork, Plywood and Structural Members	106.1	11,213	2.39
262	Paper Mills	29.0	5,542	1.56
271	Newspapers	33.8	13,194	1.45
273	Books	65.8	6,111	2.62
275	Commercial Printing	51.6	19,929	1.85
278	Blankbooks and Bookbinding	114.2	3,761	2.74
284	Soap, Cleaners and Toilet Goods	30.5	4,656	1.51
346	Metal Forgings and Stampings	29.5	4,082	0.97
349	Miscellaneous Fabricated Metal Products	52.2	3,810	0.84
354	Metalworking Machinery	26.7	6,081	0.98
359	Industrial Machinery, nec	49.6	9,556	1.55
367	Electronic Components and Accessories	47.0	14,328	1.30
371	Motor Vehicles and Equipment	62.6	5,112	0.33
382	Measuring and Controlling Devices	69.0	15,083	2.49
384	Medical Instruments and Supplies	104.6	13,497	2.64

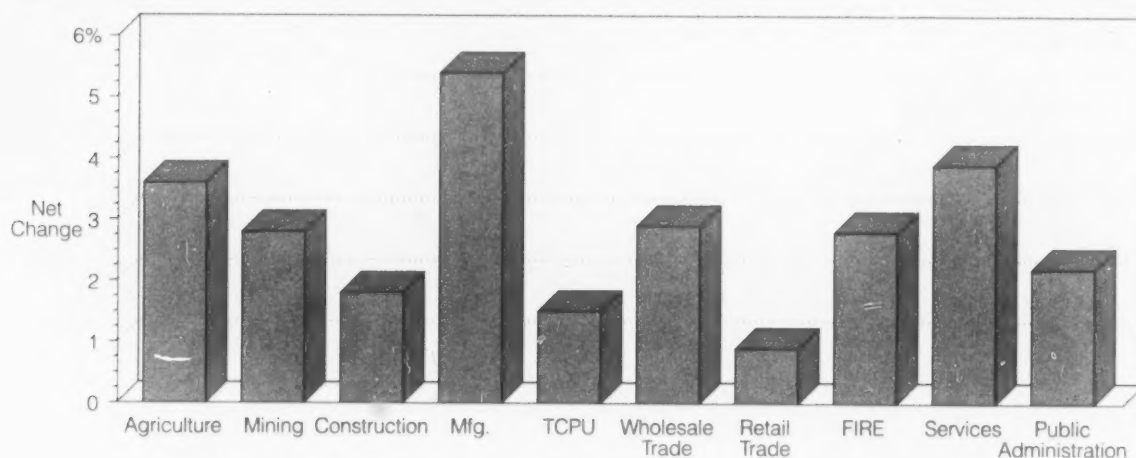
Note: nec = not elsewhere classified.

Source: Unpublished data, U.S. Department of Labor, Bureau of Labor Statistics.

- Eighteen Minnesota industries with over 3,000 employees grew by more than 25 percent each between 1982 and 1991. Thirteen of these industries had concentrations in Minnesota above the national average, as indicated by location quotients greater than one.
- The largest number of new employees, 6,900, were added in the medical instruments industry, followed by the commercial printing industry, which recorded almost 6,800 new jobs between 1982 and 1991.

Table 3.9 Birth Rates and Death Rates of Business Establishments in Minnesota, 1992

The manufacturing industry experienced the largest percentage increase in the number of new establishments.



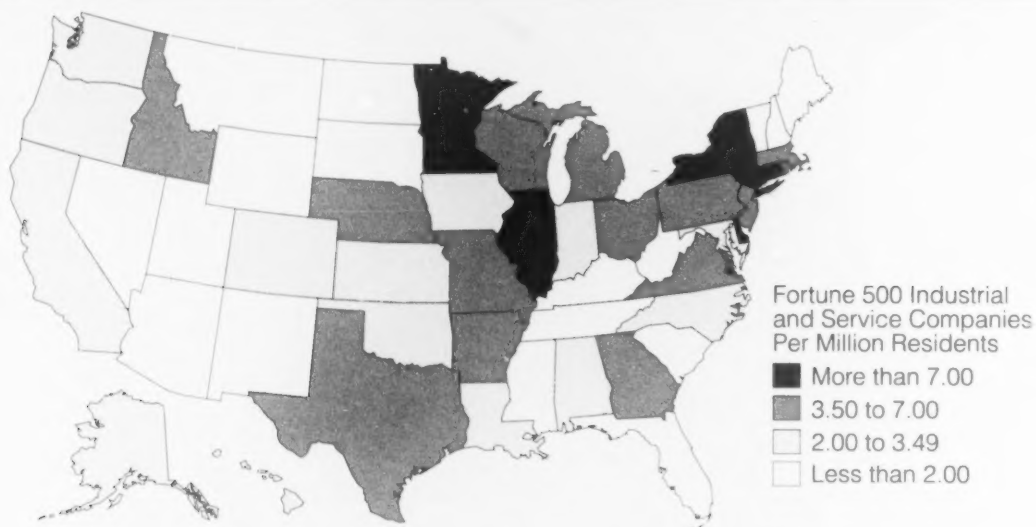
Industry	Total	Business Births		Business Deaths		Net Change
	Establishments	Number	Rate	Number	Rate	
Agriculture	2,511	336	13.4%	245	9.8%	3.6%
Mining	179	18	10.1	13	7.3	2.8
Construction	12,133	1,488	12.3	1,270	10.5	1.8
Manufacturing	8,327	799	9.6	353	4.2	5.4
Transportation, Communications, Public Utilities (TCPU)	5,505	673	12.2	593	10.8	1.5
Wholesale Trade	13,041	1,627	12.5	1,255	9.6	2.9
Retail Trade	27,168	3,176	11.7	2,918	10.7	0.9
Finance, Insurance, and Real Estate (FIRE)	11,242	1,244	11.1	933	8.3	2.8
Services	40,637	5,203	12.8	3,614	8.9	3.9
Public Administration	2,413	92	3.8	39	1.6	2.2
Total	123,156	14,656	11.9%	11,233	9.1%	2.8%

Source: Business Tracking System data, 1992, Minnesota Department of Trade and Economic Development

- Manufacturing had the highest net change rate, 5.4 percent, of any industry in Minnesota in 1992. Although the birth rate of 9.6 percent was not among the highest, the death rate of 4.2 percent was the lowest among private industries.
- Construction, transportation and public utilities, and wholesale and retail trade were the most volatile industries. Each had high birth and high death rates for business establishments.
- The largest number of births and deaths, and the largest net increase in establishments was in the services industry. Over one-third of all business births and deaths, 5,203 and 3,614, respectively, occurred in this industry, resulting in a 3.9 percent net change in services industry establishments.
- The lowest rate of increase in business establishments was in the retail trade industry, which had a net change of only 0.9 percent.

Table 3.10 Fortune 500 Industrial and Service Companies Per Million Residents, 1992.

Minnesota ranked fifth in the nation in the number of Fortune 500 companies per million residents.



Fortune 500 Corporate Headquarters

<i>States and Regions</i>	<i>Total</i>	<i>Per Million Residents</i>	<i>U.S. Rank</i>
United States	1,000	3.9	-
Plains			
Iowa	6	2.1	31
Kansas	5	2.0	33
Minnesota	32	7.1	5
Missouri	30	5.8	7
Nebraska	6	3.7	19
North Dakota	0	0.0	47
South Dakota	1	1.4	42
Great Lakes			
Illinois	85	7.3	3
Indiana	16	2.8	26
Michigan	36	3.8	16
Ohio	60	5.4	10
Wisconsin	19	3.8	17

Source: *Fortune*, April 19, 1993, pp. 173-225 and May 31, 1993, pp. 199-224.

- The Fortune 500 consists of the 500 largest industrial and 500 largest service companies in the U.S. Minnesota was home to 32 corporate headquarters of Fortune 500 companies in 1992, of which 18 were industrial companies and 14 were service companies.
- Forty percent of the Fortune 500 companies in the Plains states were located in Minnesota.
- Minnesota ranked fifth in the number of Fortune 500 company headquarters per million residents in 1992. Only the District of Columbia, Connecticut, Illinois and Delaware had more.
- Illinois was the only state in the Midwest with a larger number of Fortune 500 companies per million residents than Minnesota.

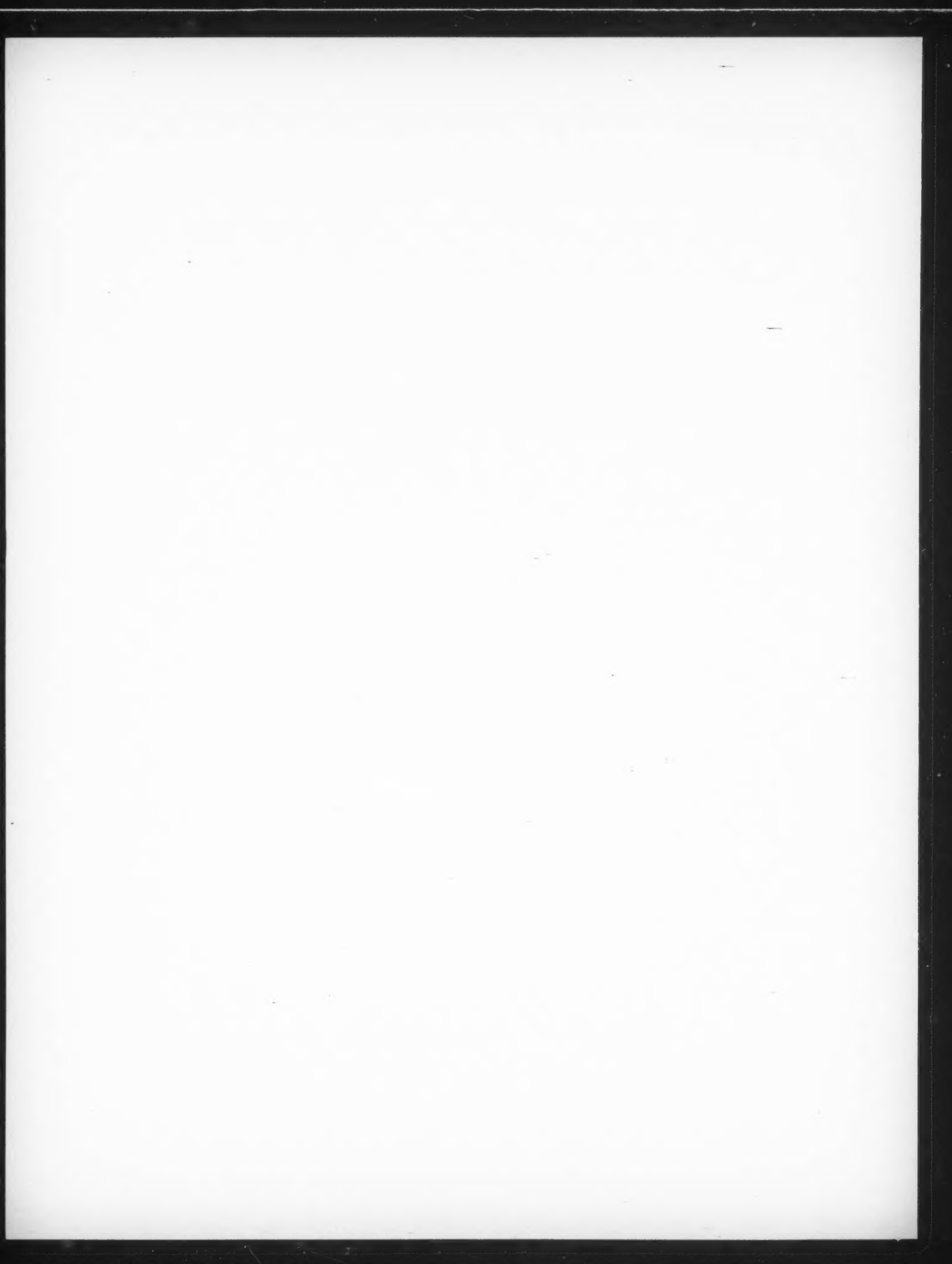
Table 3.11 Minnesota Firms on the Fortune 500 Lists, 1992

Minnesota companies on the Fortune 500 list of large corporations reflect the diversity of the state's economy.

<i>Company</i>	<i>Description</i>
Industrial Corporations	
3M Co.	Coated abrasive tapes, chemical and scientific products
General Mills Inc.	Food and kindred products
Honeywell Inc.	Electronics
Geo. A. Hormel	Food and kindred products
Land O'Lakes Inc.	Food and kindred products
International Multifoods	Food and kindred products
Farmers Union Central Exchange (CENEX)	Agricultural supplies
Deluxe Corp.	Printing and publishing
Alliant Techsystems Inc.	Electronics and defense
Pentair Inc.	Industrial equipment
Medtronic Inc.	Scientific and medical equipment
Bemis Company Inc.	Packaging products
Ecolab	Chemicals
H.B. Fuller Co.	Chemicals
Jostens Inc.	Jewelry, silverware
Cray Research Inc.	Computers
The Valspar Corp.	Paints and allied products
Toro Co.	Industrial and farm equipment
Service Companies	
Norwest Corp.	Commercial banking
First Bank Systems Inc.	Commercial banking
IDS Life Insurance Co.	Diversified financial, life insurance
St. Paul Insurance Cos. Inc.	Diversified insurance
Dayton Hudson Corp.	Retail trade
Northwest Airlines Inc.	Air transportation
Minnesota Mutual Life Insurance Co.	Life insurance
Metropolitan Financial Corp.	Diversified financial
TCF Financial Corp.	Savings, commercial banking
Super Valu Stores Inc.	Food wholesale
United Healthcare	Managed health care
Ceridian	Computer services
Harvest States Cooperatives	Grain processing, marketing and wholesale
Nash Finch Co.	Food and general merchandise distribution

Source: *Fortune*, April 19, 1993, pp. 173-225 and May 31, 1993, pp. 199-224.

- Minnesota companies on the Fortune 500 list of industrial companies represent a variety of industries, from industrial chemicals and computers to food processing and jewelry. They include industrial supplies, defense, and consumer products. This variety reflects the diversity of the Minnesota economy.
- The strength of high-tech manufacturing in Minnesota is evidenced by the presence on the Fortune 500 list of companies like 3M, Honeywell, Alliant Techsystems, Medtronic, Cray Research, and Ceridian. Many other companies now operating in Minnesota were spun off by these companies or started by former employees.
- 3M, Honeywell, and General Mills, the largest industrial corporations in Minnesota, are good examples of the type of homegrown companies that add vitality and stability to the economy in Minnesota.
- The role of Minnesota as the financial center of the Upper Midwest is demonstrated by the presence of several banking and financial companies on the Fortune 500 list of service companies.
- Proof of the historical importance of agriculture to the Minnesota economy is evident from the number and variety of food processing, agricultural supplies, commodity marketing, and food distribution companies on the list.



Major Minnesota Industries 4

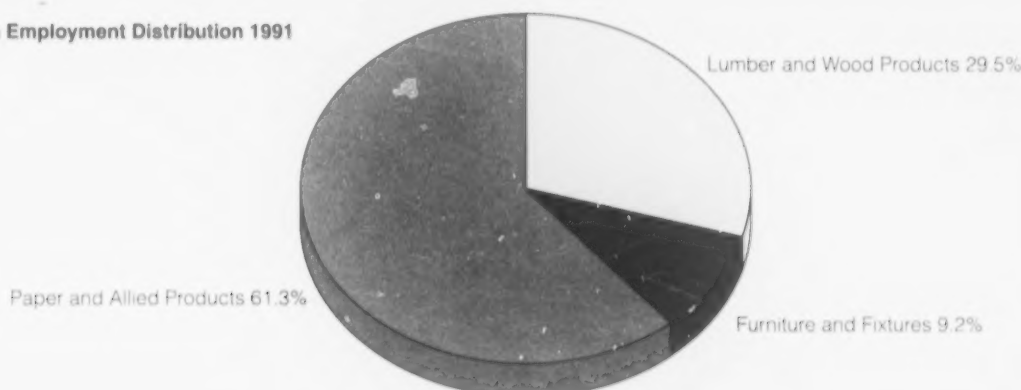
Agriculture, forestry products, printing and publishing, computer manufacturing and services, scientific and medical instruments, and other high technology industries are the major industries in Minnesota. Overall, these industries have grown strongly between 1982 and 1991 in terms of both jobs created and value added during manufacture.

Concentration of employment in these major industries continues to be notably higher in Minnesota than in the nation as a whole, as indicated by their high location quotients.



Table 4.1 Forest and Forestry Products Industries, 1991

Employment in Minnesota's millwork manufacturing industry more than doubled between 1982 and 1991.

Minnesota Employment Distribution 1991

SIC Code Industry	Minnesota Employment 1991	Employment Growth 1982-1991		Minnesota Location Quotient	Minnesota Value Added 1991 (millions)
		Minnesota	United States		
Forest and Forestry Products	55,451	22.4%	8.9%	1.56	\$2,963
24 Lumber and Wood Products	16,380*	55.2	13.9	1.25	1,048
241 Logging	592	18.2	6.0	0.38	NA
242 Sawmills	1,118	-22.9	3.2	0.32	62
243 Millwork	11,213	106.1	37.5	2.45	753
244 Containers	637	44.4	17.7	0.74	NA
245 Buildings	892	-7.8	-10.7	0.86	D
249 Misc. Wood Products	1,926	9.6	11.0	1.22	136
25 Furniture and Fixtures	5,112	49.5	9.5	0.56	306
251 Household	1,018	19.5	0.8	0.19	42
252 Office	664	672.1	14.4	0.56	41
253 Public Building	651	14.2	47.6	1.04	NA
254 Partitions	2,408	72.5	29.6	1.69	139
259 Misc. Furniture and Fixtures	371	-28.0	12.6	0.57	NA
26 Paper and Allied Products	33,959*	8.4	4.1	2.55	1,609
262 Paper Mills	5,542	29.0	5.0	1.60	532
267 Misc. Converted Paper Products	23,867	2.8	11.0	5.23	D
All Minnesota Industries	2,069,288	25.4%	21.0%	1.00	\$25,042

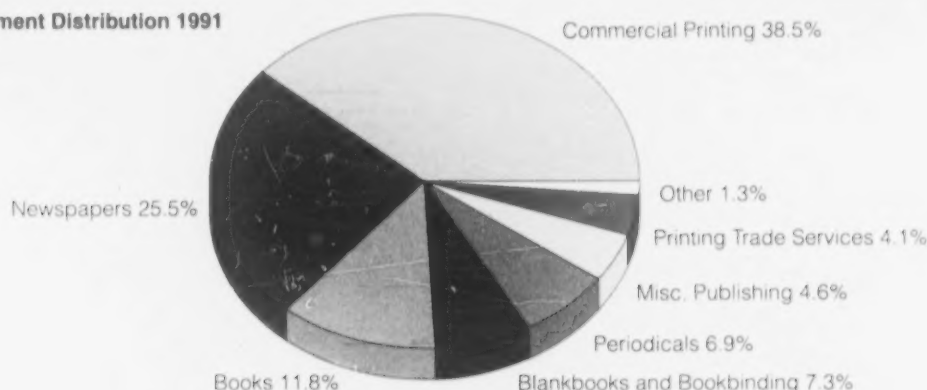
* Total includes data for non-disclosed industries.
Note: D = non-disclosed data; NA = not available

Source: 1991 Survey of Manufactures, Geographic Area Series, U.S. Department of Commerce, Bureau of the Census
Unpublished data, 1993, U.S. Department of Labor, Bureau of Labor Statistics.

- The state's forest and forestry products industries accounted for 11.8 percent of total value added by all Minnesota industries in 1991.
- Millwork manufacturing contributed the largest share, 25.4 percent, of Minnesota value added to the forest and forestry products industry; paper mills contributed a considerable 18.0 percent.
- Employment in the forest and forestry products industries made up 2.7 percent of total employment in Minnesota.
- Between 1982 and 1991, employment growth in Minnesota's forest and forestry products industries was driven by a 106.1 percent increase in millwork manufacturing employment and a 72.5 percent increase in partitions manufacturing employment.
- Employment growth was significant in both the lumber and wood products and furniture and fixtures manufacturing industries in Minnesota, increasing by 55.2 percent and 49.5 percent, respectively, between 1982 and 1991.

Table 4.2 Printing and Publishing Industry, 1991

Nearly two-thirds of Minnesota's printing and publishing industry employees worked in the newspapers and commercial printing industries.

Minnesota Employment Distribution 1991

SIC Code Industry	Minnesota Employment 1991	Employment Growth 1982-1991		Minnesota Location Quotient	Minnesota Value Added 1991 (millions)
		Minnesota	United States		
27 Printing and Publishing	51,716	46.5%	20.0%	1.74	\$2,827
271 Newspapers	13,194	33.8	8.8	1.49	479
272 Periodicals	3,579	10.2	29.8	1.47	242
273 Books	6,111	65.8	14.1	2.68	481
274 Misc. Publishing	2,403	25.4	61.1	1.49	136
275 Commercial Printing	19,929	51.6	27.1	1.90	1,184
276 Manifold Business Forms	615	NA	2.9	NA	D
277 Greeting Cards	29	NA	9.7	NA	NA
278 Blankbooks and Bookbinding	3,761	114.2	13.4	2.81	D
279 Printing Trade Services	2,095	62.2	33.5	1.79	116
All Minnesota Industries	2,069,288	25.4%	21.0%	1.00	\$25,042

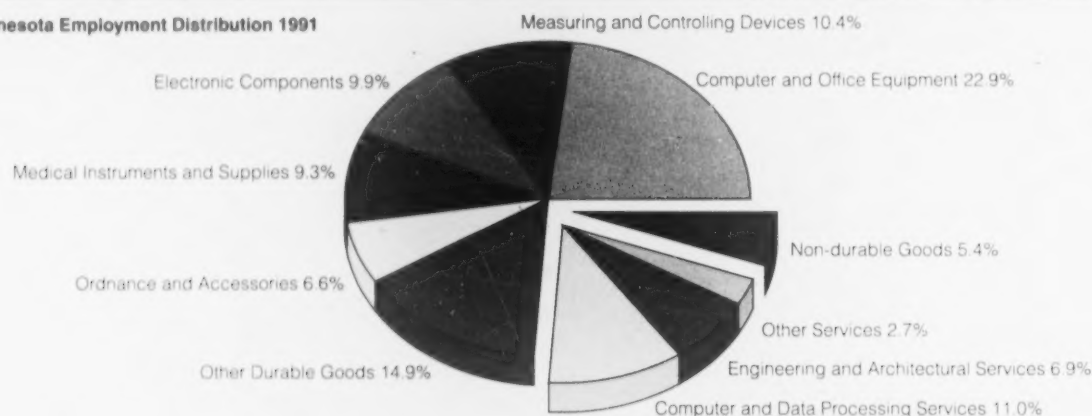
Note: D = non-disclosed data. NA = not available

Source: 1991 Survey of Manufactures, Geographic Area Series, U.S. Department of Commerce, Bureau of the Census.
Unpublished data, 1993, U.S. Department of Labor, Bureau of Labor Statistics

- Eleven percent of total Minnesota value added in 1991 was generated by printing and publishing firms.
- Employment in commercial printing, the largest employer in Minnesota's printing and publishing industry, was 51.6 percent higher in 1991 than in 1982. This was almost double the national average growth over the same period.
- Employment in the printing and publishing industry grew almost twice as fast as total employment in all Minnesota industries between 1982 and 1991.
- In 1991, 2.5 percent of all jobs in Minnesota were in the printing and publishing industry.
- Employment grew significantly in the state's books industry, increasing by 65.8 percent between 1982 and 1991. This growth was much greater than the national industry increase of 14.1 percent.
- The fastest employment growth in Minnesota's printing and publishing industry occurred in blankbooks and bookbinding, where employment more than doubled between 1982 and 1991.

Table 4.3 High Technology Industries, 1991

Minnesota high technology employment was concentrated in computer-related industries.

Minnesota Employment Distribution 1991

SIC Code Industry	Minnesota Employment 1991	Employment Growth 1982-1991		Minnesota Location Quotient	Minnesota Value Added 1991(millions)
		Minnesota	United States		
High Technology	145,394	11.1%	8.9%	1.35	NA
Non-durable Goods					
283 Drugs	1,807	180.2	24.4	0.38	\$131
284 Soaps, Cleaners, Toiletries	4,656	30.5	7.0	1.54	D
289 Misc. Chemical Products	1,406	5.1	6.8	0.74	219
Durable Goods					
348 Ordnance and Accessories	9,578	-23.1	8.1	6.98	D
351 Engines and Turbines	121	-94.0	-23.7	0.07	D
353 Construction Machinery	3,702	-35.4	-34.9	0.88	293
357 Computer and Office Equipment	33,349	-16.7	-12.6	4.17	878
362 Electrical Industrial Apparatus	4,494	16.7	-24.6	1.43	294
364 Electric Lighting and Wiring Equipment	2,258	23.0	-5.3	0.66	363
366 Communications Equipment	2,588	-33.9	-56.7	0.54	304
367 Electronic Components	14,328	47.0	0.8	1.33	566
369 Misc. Electrical Equipment	2,825	40.7	9.8	0.93	131
381 Search and Navigation Equipment	2,505	-56.2	218.0	0.50	D
382 Measuring and Controlling Devices	15,083	69.0	24.5	2.55	D
384 Medical Instruments and Supplies	13,497	104.6	62.9	2.70	1,153
385 Ophthalmic Goods	2,288	10.7	6.6	2.90	D
386 Photographic Equipment	904	-66.9	-29.3	0.47	D
Services					
489 Communications Services*	31	-96.9	-78.5	0.07	NA
737 Computer and Data Processing Services	15,933	162.8	119.4	1.04	NA
871 Engineering and Architectural Services	10,079	35.1	32.7	0.70	NA
873 Research and Testing Services**	3,962	28.2	40.9	0.46	NA
All Minnesota Industries	2,069,288	25.4%	21.0%	1.00	\$25,042

* Includes 4899, 4841, and 4822.

** Does not include 8732, Commercial Business Research.

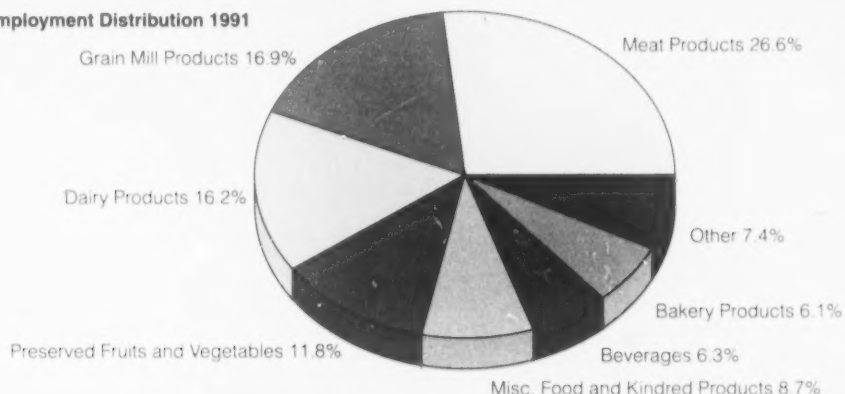
Note: High technology industries are defined as those employing high percentages of scientists and engineers.
D = non-disclosed data; NA = not available.

Source: 1991 Survey of Manufactures, Geographic Area Series, U.S. Department of Commerce, Bureau of the Census.
Unpublished data, 1993, U.S. Department of Labor, Bureau of Labor Statistics.

- In 1991, employment was 35 percent more highly concentrated in the high technology industries in Minnesota than in the nation as a whole.
- The high technology industry accounted for 7 percent of all employment in the state. According to the U.S. Department of Labor, Minnesota's share was one-third greater than the national share of 5.2 percent.
- Ordnance, computer and office equipment, and medical instruments manufacturing employment was especially concentrated in Minnesota. The state share of employment engaged in the manufacture of ordnance was seven times the national share while the share of computer manufacturing employment was over four times the national share.

Table 4.4 Food and Kindred Products Industry, 1991

Employment in the grain mill and dairy products industries was significantly more concentrated in Minnesota than in the nation.

Minnesota Employment Distribution 1991

SIC Code Industry	Minnesota Employment 1991	Employment Growth 1982-1991		Minnesota Location Quotient	Minnesota Value Added 1991 (millions)
		Minnesota	United States		
20 Food and Kindred Products	50,769	9.0%	1.2%	1.58	\$3,608
201 Meat Products	13,506	31.2	22.1	1.64	831
202 Dairy Products	8,243	3.9	-7.6	2.78	871
203 Preserved Fruits and Vegetables	5,983	-11.8	2.5	1.26	463
204 Grain Mill Products	8,587	-4.0	-3.8	3.44	385
205 Bakery Products	3,109	32.2	-1.9	0.75	D
206 Sugar and Confectionery Products	2,786	-17.5	-0.7	1.43	206
207 Fats and Oils	957	-25.8	-24.9	1.58	NA
208 Beverages	3,188	-26.4	-20.7	0.90	206
209 Misc. Food and Kindred Products	4,410	245.1	10.1	1.25	211
All Minnesota Industries	2,069,288	25.4%	21.0%	1.00	\$25,042

Note: D = non-disclosed data; NA = not available.

Source: 1991 Survey of Manufactures, Geographic Area Series, U.S. Department of Commerce, Bureau of the Census.
Unpublished data, 1993, U.S. Department of Labor, Bureau of Labor Statistics.

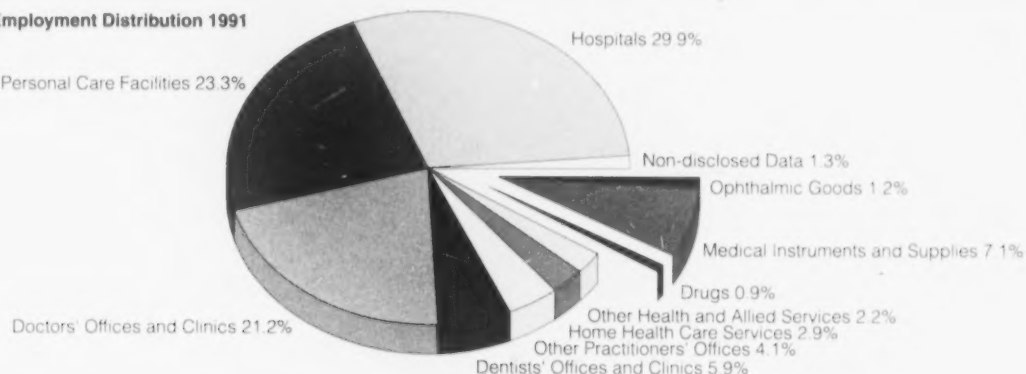
- According to the U.S. Department of Labor, more than 570 food processing firms made up 7 percent of all manufacturers in Minnesota in 1991.
- Employment in Minnesota's largest food industry, meat products, was 31.2 percent higher in 1991 than in 1982. This growth rate was higher than the national industry trend.
- The highest employment growth in the state's food industry occurred among the miscellaneous foods producers. After declining steeply between 1982 and 1989, employment recovered dramatically and 1991 employment levels exceeded 1982 levels by 245 percent.
- The food and kindred products industry generated 14.4 percent of total value added for all Minnesota manufacturing industries in 1991.
- The largest employment decreases in Minnesota occurred in the beverages and fats and oils industries; each decreased by over 25 percent between 1982 and 1991.
- Bakery products was also a growth industry in Minnesota between 1982 and 1991, growing by 32.2 percent. In contrast, national bakery products employment declined over the same period.
- The high-growth Minnesota meat products industry employed 13,506 workers in 1991, accounting for 26.6 percent of all food processing employment in the state.

Table 4.5 Health and Medical Industries, 1991

Employment in medical instruments manufacturing was more highly concentrated in Minnesota than in the nation.

Minnesota Employment Distribution 1991

Nursing and Personal Care Facilities 23.3%



SIC Code Industry	Minnesota Employment 1991	Employment Growth 1982-1991		Minnesota Location Quotient
		Minnesota	United States	
Health and Medical	190,490	34.7%	41.6%	1.10
283 Drugs	1,807	180.2	24.4	0.38
Medical Products Manufacturing	15,785	82.2	52.0	2.73
384 Medical Instruments and Supplies	13,497	104.6	62.9	2.70
385 Ophthalmic Goods	2,288	10.7	6.6	2.90
80 Health Services	172,898	30.9	41.8	1.10
801 Doctors' Offices and Clinics	40,441	78.2	69.9	1.49
802 Dentists' Offices and Clinics	11,228	26.0	37.0	1.10
803 Osteopaths' Offices and Clinics	D	-	63.1	-
804 Other Practitioners' Offices	7,891	123.2	152.3	1.34
805 Nursing and Personal Care Facilities	44,405	19.2	39.5	1.54
806 Hospitals	56,975	6.3	22.7	0.82
807 Medical and Dental Laboratories	D	-	56.8	-
808 Home Health Care Services	5,440	67.3	117.2	0.82
809 Other Health and Allied Services	4,253	252.4	142.8	0.92
All Minnesota Industries	2,069,288	25.4%	21.0%	1.00

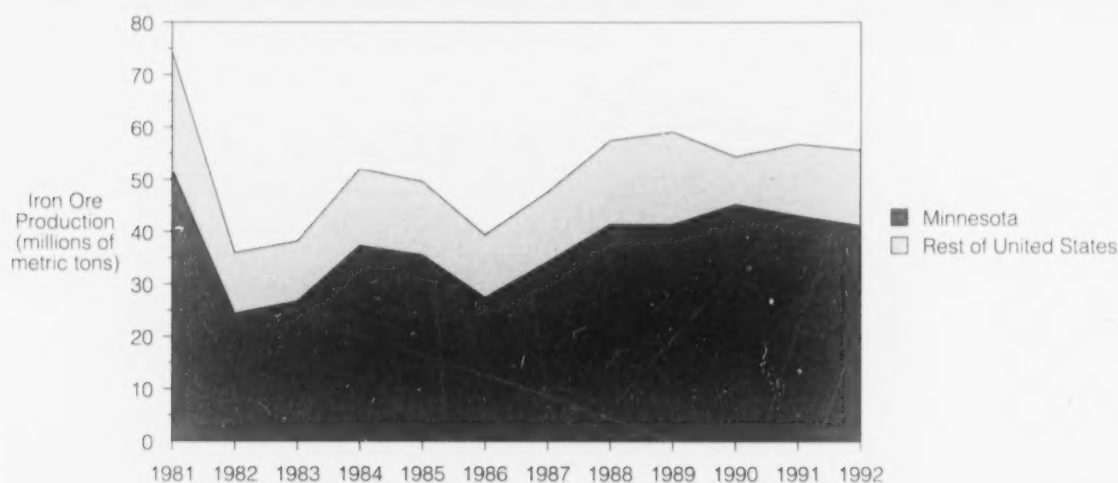
Note: D = non-disclosed data.

Source: 1991 Survey of Manufactures, Geographic Area Series, U.S. Department of Commerce, Bureau of the Census.
Unpublished data, 1993, U.S. Department of Labor, Bureau of Labor Statistics.

- Employment in Minnesota's health and medical manufacturing industries accounted for 9.2 percent of total employment in the state in 1991.
- The most phenomenal growth in health and medical industries employment between 1982 and 1991 occurred in the drugs and other health services industries, increasing by 180.2 percent and 252.4 percent, respectively.
- Employment in Minnesota's largest medical industry, health services, grew by 30.9 percent between 1982 and 1991.
- Medical instruments manufacturing employment was more highly concentrated in Minnesota than in the United States in 1991.
- Between 1982 and 1991, employment in doctors' offices and clinics grew by 78.2 percent in Minnesota, faster than the national growth.

Table 4.6 Mining and Taconite Production, 1981 to 1992

Minnesota taconite production dominated the U.S. iron mining industry.



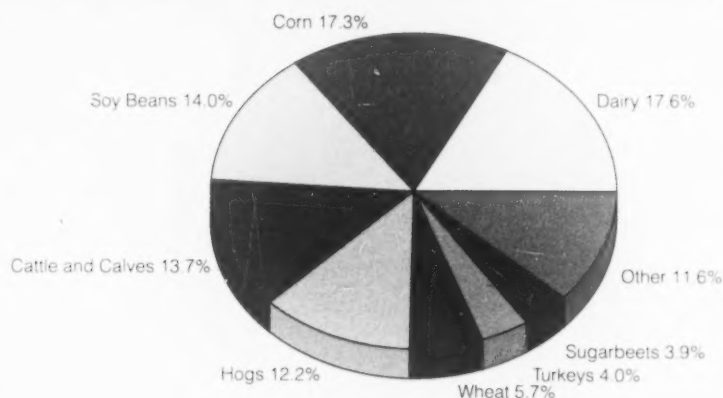
	Iron Ore Production (millions of metric tons)				Minnesota Share of U.S. Production	Minnesota Share of World Production
	Minnesota	Other Domestic	United States	World		
1981	51.8	22.5	74.3	858.2	69.7%	6.0%
1982	24.3	11.7	36.0	780.9	67.5	3.1
1983	26.7	11.5	38.2	739.9	69.9	3.6
1984	37.3	14.8	52.1	829.3	71.6	4.5
1985	35.5	14.1	49.5	860.6	71.7	4.1
1986	27.4	12.0	39.4	863.7	69.5	3.2
1987	34.2	13.4	47.6	902.7	71.9	3.8
1988	41.4	16.1	57.5	967.2	72.0	4.3
1989	41.4	17.7	59.0	998.7	70.2	4.2
1990	45.2	9.2	54.4	982.2	83.1	4.6
1991	43.0	13.8	56.8	956.2	75.7	4.5
1992	41.1	14.5	55.6	929.8	73.9	4.4

Source: Bureau of Mines Yearbook-Iron Ore 1992, U.S. Department of the Interior, Bureau of Mines.

- Mining in Minnesota is highly concentrated in taconite ore extraction.
- More than two-thirds (69.6 percent) of the nation's iron ore miners were employed in Minnesota in 1991.
- In 1992, Minnesota produced almost three-quarters (73.9 percent) of the total United States iron ore production.
- After the slump experienced in the early 1980s, output from the taconite industry in Minnesota increased by 76.9 percent between 1982 and 1991. During the same period, according to the U.S. Department of Labor, mining employment decreased dramatically, falling by 28.4 percent.

Table 4.7 Agricultural Receipts and Expenditures, 1992

Minnesota ranked seventh in the nation in farm cash receipts.



		Cash Receipts (thousands)	Share of Total Cash Receipts	U.S. Rank
Major Crops and Livestocks	Dairy Products	\$1,249.7	17.6%	5
	Cattle & Calves	971.7	13.7	10
	Soy Beans	988.2	14.0	4
	Hogs	864.7	12.2	3
	Corn	1,224.0	17.3	5
	Wheat	401.8	5.7	4
	Turkeys	283.2	4.0	2
	Sugar Beets	275.2	3.9	1
Miscellaneous Crops	Barley	84.6	1.2	5
	Potatoes	78.9	1.1	8
	Hay	102.1	1.4	8
	Sweet Corn	42.9	0.6	2
	Oats	14.7	0.2	3
	Green Peas	36.7	0.5	1
	Dry Beans	31.0	0.4	7
	Sunflowers	39.9	0.6	3
	Other Crops	139.7	2.0	-
Miscellaneous Livestock	Eggs	95.8	1.4	
	Chickens (Broilers and Farm)	18.6	0.3	
	Honey	124.1	1.8	
	Misc. Livestock	14.6	0.2	
Total Cash Receipts		\$7,082.1	100.0%	
PLUS:	Government Transfers	422.0		
PLUS:	Other Income	471.4		
EQUALS:	Total Gross Income	\$7,975.5		
LESS:	Farm Production Expenses	6,495.0		
EQUALS:	Total Net Farm Income	\$1,480.5		

Note: Data may not equal totals due to rounding.

Source: Unpublished data, 1993, U.S. Department of Agriculture, National Agricultural Statistics Service.
Unpublished data, 1993, Minnesota Department of Agriculture.

- The major cash-generating agricultural products in Minnesota in 1992 were dairy products and corn, which contributed 17.6 percent and 17.3 percent, respectively, to total cash receipts.
- Minnesota Department of Agriculture data shows that in 1992, Minnesota had 88,000 farms that utilized 29.8 million acres. Approximately 95 percent of these farms were family owned.
- Compared with other states in the nation, Minnesota ranked seventh in cash receipts, sixth in crops and seventh in livestock in 1992, according to the Minnesota Department of Agriculture. The state also ranked seventh in agricultural exports, which grew by 18.9 percent from \$1.8 billion in 1989 to \$2.1 billion in 1992. One-third of Minnesota farm cash receipts came from exports in 1992.

Table 4.8 Top 25 Minnesota High Technology Companies, 1993

Minnesota's high technology companies generated over \$28 billion in revenues.

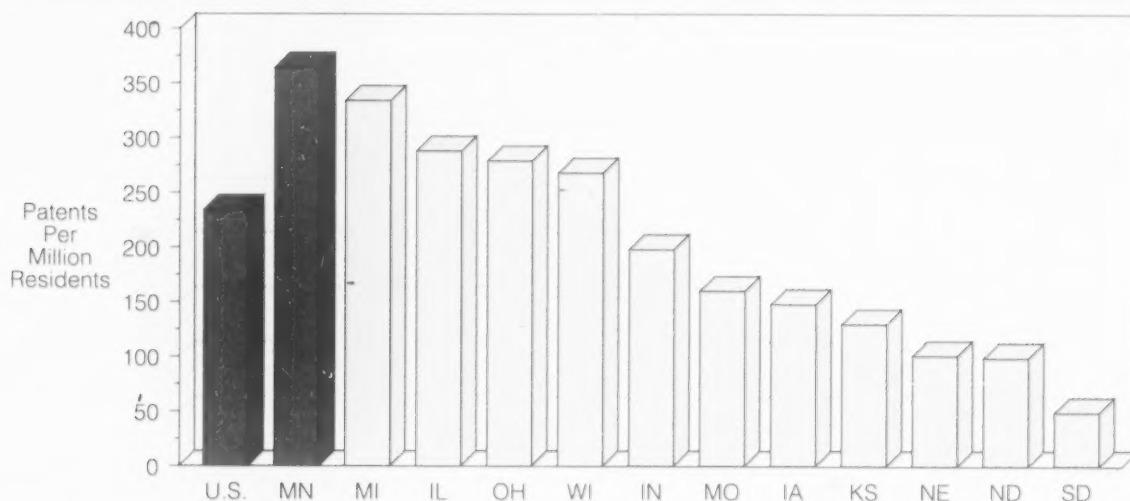
Rank	Company	Revenue (millions)	Number of Employees Statewide	Number of Employees Worldwide	High-Tech Activity
1	3M Company	\$13,883	23,800	87,015	Health and safety products
2	Honeywell, Inc.	6,223	8,949	55,400	Aerospace and defense systems
3	Medtronic Inc.	1,328	3,900	9,300	Medical devices
4	Alliant Techsystems	1,005	2,900	5,600	Defense systems
5	Ceridian	830	2,500	8,800	Information management systems
6	Cray Research Inc.	798	1,200	4,895	Scientific computers
7	Control Data Systems	517	1,000	3,000	Computer systems and services
8	DataCard Corporation	325	750	3,000	Transaction cards, embossing equip.
9	Graco Inc.	320	1,200	2,010	Fluid-handling equipment
10	ADC Telecommunications Inc.	316	1,600	2,303	Telecommunications
11	National Computer Systems Inc.	300	1,000	2,600	Information management products
12	St. Jude Medical Inc.	240	500	684	Biomedical devices
13	SciMed Life Systems Inc.	223	1,294	1,300	Disposable medical products
14	Starkey Laboratories Inc.	220	1,170	2,100	In-the-ear hearing aids
15	Network Systems Corporation	219	550	1,400	Data communications systems
16	Zeos International	206	530	530	Personal computers
17	MTS Systems Corporation	161	1,000	1,404	Computer-based systems
18	Hutchinson Technology Inc.	160	2,347	3,013	Military guidance systems
19	Analysts International Corporation	160	414	712	Software applications and services
20	Ameridata	148	260	430	Computer services
21	Northgate Computer Systems, Inc.	124	250	250	Personal computer systems
22	Advance Circuits Inc.	93	1,100	1,114	Printed circuit boards
23	Zytec Corporation	90	549	609	Printed circuit boards
24	Dahlberg Inc.	89	450	612	Hearing aids and accessory products
25	Sheldahl Inc.	84	985	1,000	Flexible circuitry, display systems
Total		\$28,062	60,198	199,081	

Source: Corporate Report Minnesota, March, August and October 1993.
Corporate correspondence.

- Minnesota's top 25 high technology firms produced a variety of products in 1993. Computer technology and computer-related service companies dominated the group. Medical technology firms were also strongly represented.
- In 1993, the top 25 high technology firms in Minnesota had revenues of \$28.1 billion, up 7.2 percent in nominal terms from 1989 revenues of \$26.2 billion.
- The top 25 high technology companies in the state employed 60,198 Minnesotans, which represented 30.2 percent of the 199,081 high technology employees working for these companies worldwide.

Table 4.9 Patents Issued in State Per Million Residents, 1992

The innovativeness of Minnesotans resulted in the rate of patents issued per million residents to exceed the national average by 56 percent.



Rank	State	Patents		Rank	State	Patents		Rank	State	Patents	
		Per Million Residents	Total Patents Issued			Per Million Residents	Total Patents Issued			Per Million Residents	Total Patents Issued
	United States	234	59,760	18	Rhode Island	236	237	36	Louisiana	122	537
1	Delaware	802	553	19	Oregon	230	686	37	Tennessee	118	594
2	Connecticut	500	1,642	20	Maryland	218	1,070	38	Georgia	117	793
3	New Jersey	409	3,189	21	Vermont	214	122	39	District of Columbia	114	67
4	Massachusetts	408	2,445	22	Texas	210	3,704	40	Maine	105	130
5	Minnesota	364	1,631	23	Washington	210	1,077	41	Nebraska	101	162
6	Michigan	334	3,153	24	Oklahoma	209	672	42	North Dakota	99	63
7	New Hampshire	325	361	25	Indiana	198	1,123	43	West Virginia	96	174
8	California	301	9,284	26	New Mexico	165	261	44	Alaska	92	54
9	Illinois	288	3,355	27	Missouri	160	832	45	Kentucky	88	329
10	Ohio	279	3,073	28	Virginia	159	1,013	46	Alabama	78	324
11	New York	279	5,047	29	Florida	157	2,114	47	Wyoming	77	36
12	Colorado	275	954	30	Iowa	148	417	48	Hawaii	73	85
13	Wisconsin	268	1,342	31	North Carolina	136	933	49	Arkansas	71	170
14	Pennsylvania	252	3,027	32	Montana	132	109	50	Mississippi	55	144
15	Utah	248	448	33	South Carolina	132	476	51	South Dakota	49	35
16	Idaho	245	261	34	Kansas	130	329		Other*	-	30
17	Arizona	240	921	35	Nevada	130	172				

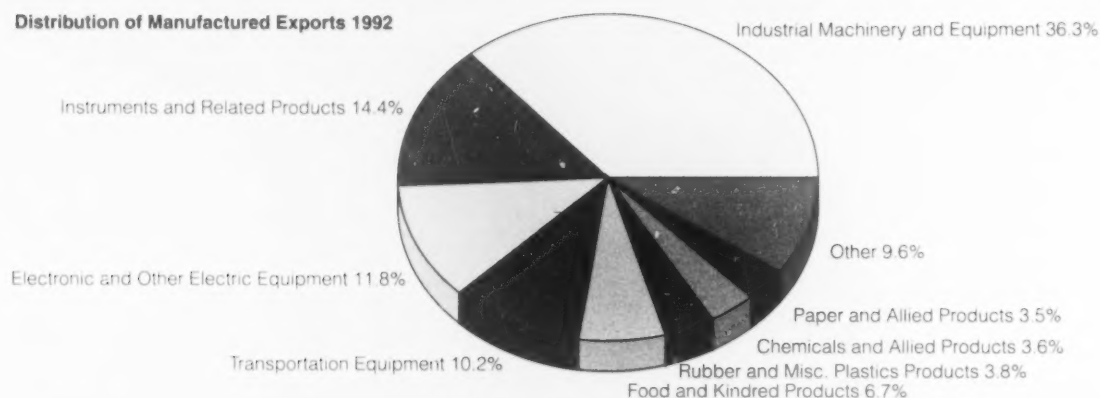
* Other includes patents issued to individuals residing in Puerto Rico and the Virgin Islands

Source: Commissioner of Patents and Trademarks Annual Report 1992, U.S. Department of Commerce, Patent and Trademark Office.

- Minnesota ranked fifth nationally with 364 patents issued per million residents in 1992, 55.6 percent higher than the national average.
- Minnesota has ranked first in the Midwest in the number of patents issued per million residents since 1985.
- Minnesota ranked twelfth nationally with 1,631 total patents issued in 1992. This represented an 81.6 percent increase since 1983, greater than the 70.2 percent increase nationally.

Table 4.10 Minnesota Manufactured Exports, 1992

Minnesota manufactured exports were concentrated in high technology products.

Distribution of Manufactured Exports 1992

SIC Code Industry	Minnesota Exports 1992 (thousands)	Percent Change 1989-1992		Percent of 1992 Distribution		Minnesota as a Percent of U.S. 1992
		Minnesota	U.S.	Minnesota	U.S.	
20 Food and Kindred Products	\$446,889	79.5%	29.5%	6.7%	5.2%	2.1%
21 Tobacco Products*	-	-	23.9	-	1.1	-
22 Textile Mill Products	45,221	32.4	58.7	0.7	1.2	0.9
23 Apparel and Other Textile Products	29,485	11.5	93.8	0.4	1.2	0.6
24 Lumber and Wood Products	40,733	32.3	12.7	0.6	1.8	0.6
25 Furniture and Fixtures	17,761	80.0	173.3	0.3	0.7	0.7
26 Paper and Allied Products	231,149	-9.1	19.6	3.5	2.6	2.2
27 Printing and Publishing	58,361	9.4	43.4	0.9	1.0	1.4
28 Chemicals and Allied Products	241,336	15.9	16.3	3.6	10.9	0.5
29 Petroleum and Coal Products	5,324	0.0	23.6	0.1	1.6	0.1
30 Rubber and Misc. Plastics Products	252,710	69.8	66.9	3.8	2.1	3.0
31 Leather and Leather Products	20,212	42.9	41.7	0.3	0.4	1.2
32 Stone, Clay and Glass Products	113,896	75.4	52.6	1.7	1.0	2.8
33 Primary Metal Industries	43,173	65.4	33.3	0.6	3.9	0.3
34 Fabricated Metal Products	185,806	44.2	43.9	2.8	3.5	1.3
35 Industrial Machinery and Equipment**	2,418,865	4.5	21.7	36.3	18.8	3.2
36 Electronic and Other Electric Equipment	786,834	94.3	46.9	11.8	13.4	1.5
37 Transportation Equipment	682,068	120.0	40.3	10.2	21.5	0.8
38 Instruments and Related Products	961,458	37.1	27.0	14.4	6.1	3.9
39 Miscellaneous Manufacturing Industries	82,245	215.4	40.4	1.2	1.9	1.1
Total	\$6,663,526	33.0%	32.7%	100.0%	100.0%	1.7%

* Minnesota did not export any tobacco products.

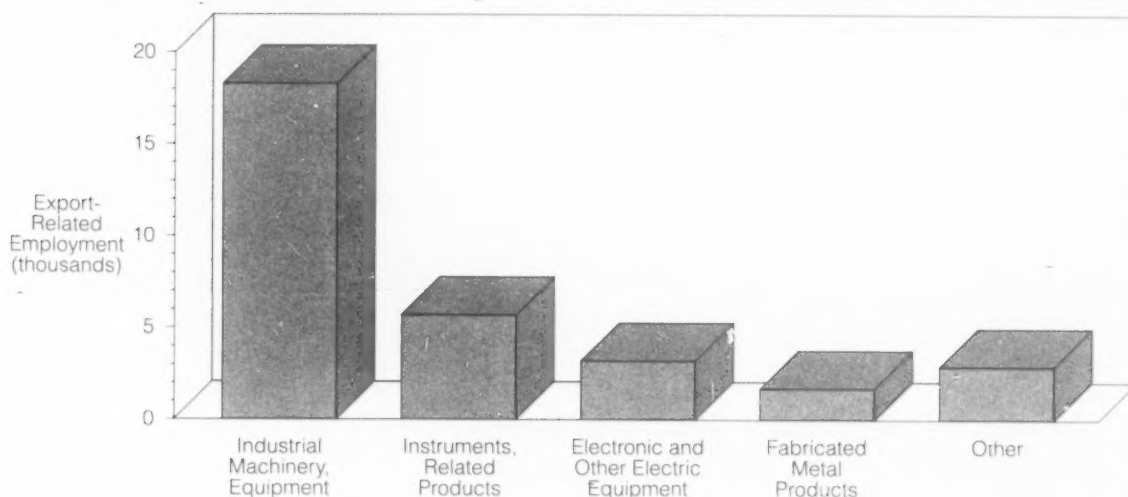
** Includes computers.

Source: Origin of Movement of U.S. Exports, (MISER), 1992, U.S. Department of Commerce and the University of Massachusetts at Amherst.

- Minnesota manufactured exports totaled \$6.7 billion in 1992, accounting for 1.7 percent of total U. S. manufactured exports.
- Minnesota manufactured exports are concentrated in the high technology industries of industrial machinery and equipment, instruments and related products, electronic and other electric equipment, and transportation equipment. Exports from these industries accounted for 72.8 percent of total Minnesota manufactured exports in 1992.
- Industrial machinery and equipment made up 36.3 percent of total Minnesota manufactured exports in 1992, a decline of 9.9 percentage points since 1989. Between 1989 and 1992, the value of Minnesota's industrial machinery and equipment exports grew only 4.5 percent, much less than the 21.7 percent U.S. growth rate.
- Manufactured exports in the food and kindred products, transportation equipment, electronic and other electric equipment, and primary metal industries grew significantly faster in Minnesota than in the United States.

Table 4.11 Minnesota Direct Export-Related Manufacturing Employment, 1989

Minnesota's industrial machinery industry accounted for over one-half of total export-related manufacturing jobs in the state.



SIC Code	Industry	Minnesota Direct Export-Related Employment 1989 (thousands)	Percent of Industry Employment	U.S. Direct as a Percent of Industry Employment	Minnesota Percent Change 1986-1989
20	Food and Kindred Products	0.7	1.8%	4.2%	0.0%
24	Lumber and Wood Products	0.5	2.7	5.4	400.0
27	Printing and Publishing	0.6	1.3	1.5	20.0
28	Chemicals and Allied Products	0.2	2.4	13.7	100.0
30	Rubber and Misc. Plastics Products	0.8	5.3	4.9	33.3
32	Stone, Clay and Glass Products	0.1	1.0	3.8	0.0
34	Fabricated Metal Products	1.7	4.5	4.9	-41.4
35	Industrial Machinery and Equipment*	18.3	28.2	17.6	37.6
36	Electronic and Other Electric Equipment	3.2	10.4	17.4	10.3
38	Instruments and Related Products	5.7	20.6	15.9	83.9
Total		33.7**	8.6%	8.5%	31.6%

* Includes computers.

** Total includes employment from industries not shown separately due to data disclosure requirements.

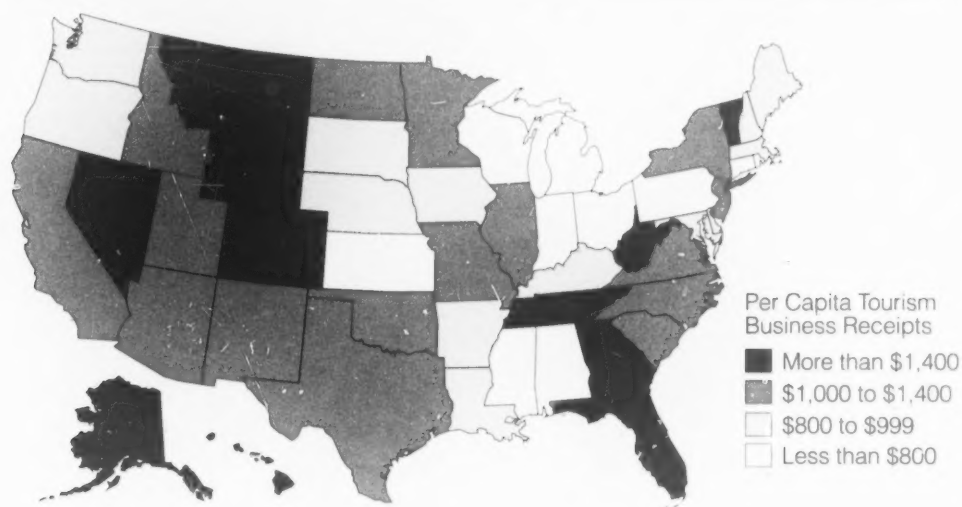
Note: Due to a change in SIC code definitions in 1987, exercise caution when comparing years prior to 1987 with subsequent years, especially in SIC codes 36 and 38.

Source: Exports from Manufacturing Establishments, Annual Issues 1986 to 1989, U.S. Department of Commerce, Bureau of the Census.

- Minnesota had 33,700 export-related manufacturing jobs in 1989. This represented 8.6 percent of total manufacturing jobs in the state, slightly higher than the national average.
- The industrial machinery and equipment manufacturing industry accounted for 54.3 percent of total direct export-related employment in Minnesota.
- The largest share — 28.2 percent — of export-related jobs in Minnesota was in the industrial machinery industry. This share was much higher than the 17.6 percent share in the U.S.
- Minnesota added 8,100 new export-related manufacturing jobs between 1986 and 1989, an increase of 31.6 percent. Export-related employment across the nation increased more quickly — by 51.8 percent — over the same period.
- Instruments manufacturing is also export-dependent. In Minnesota, 20.6 percent of the instruments and related products manufacturing jobs were directly export-related in 1989. Across the nation, export-related jobs in the same industry accounted for only 15.9 percent of industry employment.

Table 4.12 Tourism Business Receipts, 1990

Tourism receipts per capita in Minnesota were about the same as the national average.



Rank	State	Business Receipts Per Capita	Business Receipts (millions)	Rank	State	Business Receipts Per Capita	Business Receipts (millions)
	United States	\$1,120	\$278,560				
1	Nevada	8,323	10,003	26	New York	\$1,036	\$18,636
2	Wyoming	5,178	2,349	27	Illinois	1,035	11,830
3	Hawaii	4,534	5,025	28	Oklahoma	1,027	3,232
4	Alaska	2,249	1,237	29	Oregon	992	2,820
5	West Virginia	1,899	3,407	30	Delaware	991	660
6	District of Columbia	1,876	1,139	31	South Dakota	988	687
7	Florida	1,872	24,219	32	Louisiana	975	4,113
8	Colorado	1,704	5,613	33	Maine	957	1,175
9	Montana	1,471	1,176	34	Washington	916	4,456
10	Georgia	1,458	9,447	35	Nebraska	906	1,429
11	Vermont	1,411	794	36	Kentucky	889	3,277
12	Tennessee	1,400	6,829	37	Arkansas	845	1,987
13	Utah	1,326	2,285	38	Maryland	843	4,031
14	Virginia	1,306	8,080	39	New Hampshire	840	932
15	Arizona	1,271	4,658	40	Iowa	832	2,311
16	New Mexico	1,269	1,922	41	Massachusetts	832	5,006
17	California	1,229	36,581	42	Kansas	782	1,938
18	South Carolina	1,191	4,152	43	Alabama	755	3,050
19	Idaho	1,150	1,158	44	Pennsylvania	744	8,838
20	Missouri	1,139	5,826	45	Michigan	704	6,544
21	Minnesota	1,117	4,888	46	Mississippi	695	1,788
22	North Carolina	1,108	7,342	47	Ohio	643	6,970
23	New Jersey	1,106	8,547	48	Indiana	641	3,556
24	Texas	1,085	18,434	49	Connecticut	641	2,107
25	North Dakota	1,085	693	50	Rhode Island	439	480
				51	Wisconsin	184	903

Note: In 1992, the U.S. Travel Data Center modified its 1990 estimates.

Source: *Impact of Travel on State Economies, 1991*, U.S. Department of Commerce, U.S. Travel Center.

- In the Midwest, only Missouri had higher per capita receipts from tourism than Minnesota in 1990.
- Minnesota ranked twenty-first in business receipts per resident and nineteenth in total business receipts.
- Tourism transportation receipts in Minnesota generated 42.7 percent of total business receipts, compared to only 23.3 percent in the U.S.

Government 5

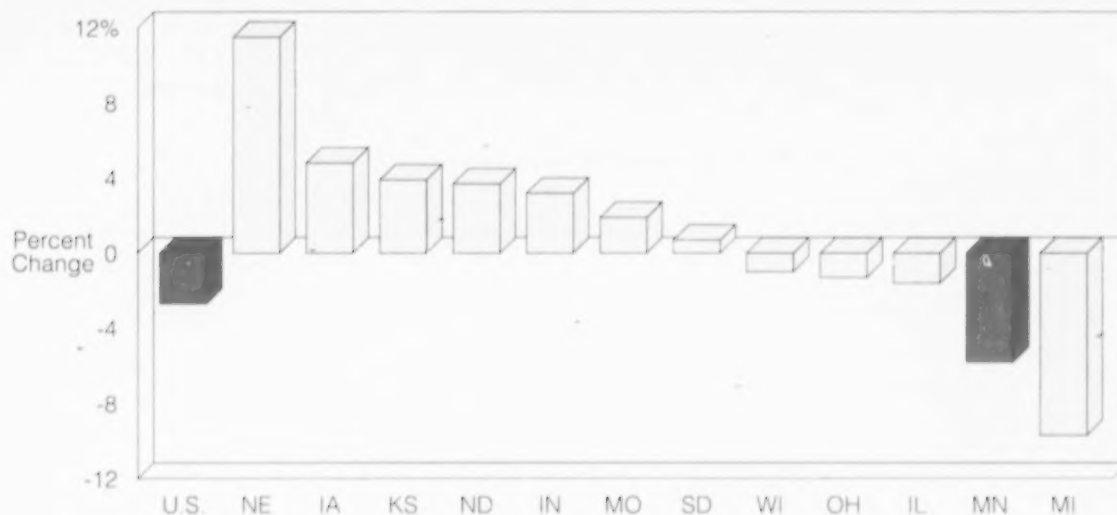
Minnesota prides itself in providing high quality and efficiently managed governmental services with a competitive tax structure. For example, in 1991, Minnesota ranked twenty-ninth in state and local employees per capita, and between 1985 and 1991, the state's overall total tax burden declined nearly 6 percent.

Minnesota has acted to reduce state-imposed costs for businesses. Legislation passed in 1994 reduced the sales tax on replacement capital equipment for manufacturers, the corporate income tax burden continues to decline, and workers' compensation costs have fallen in recent years. Even with this reduced tax burden, the state has been able to maintain the quality of its education, social, transportation and environmental services, and fund these programs above the respective national average levels.



Table 5.1 Change in State and Local Tax Revenue Per \$1,000 of Personal Income, Fiscal Years 1985 to 1991

Minnesota was the only Plains state to reduce tax collections per \$1,000 of personal income.



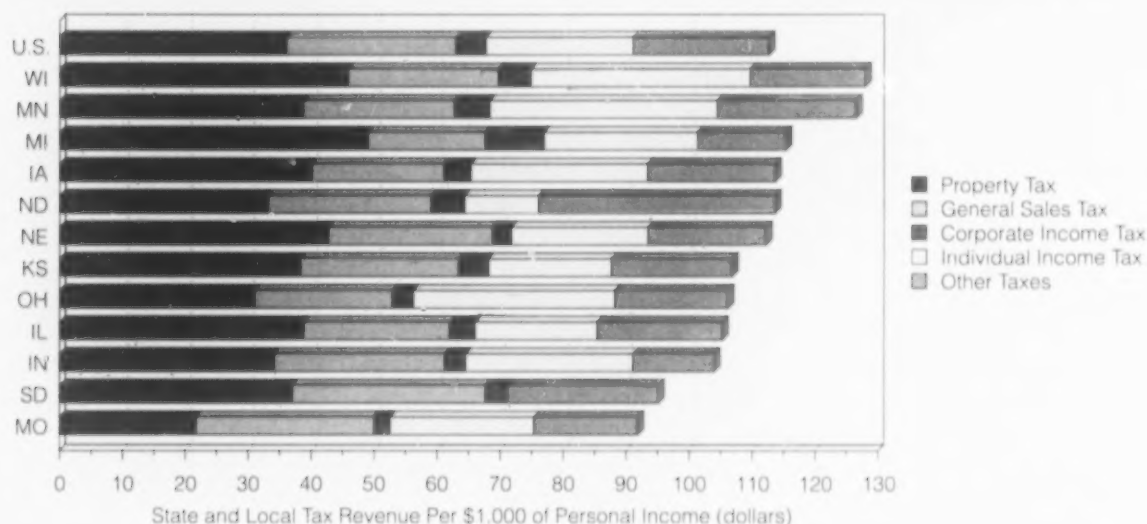
States and Regions	Tax Revenue Per \$1,000 of Personal Income FY 1991			U.S. Rank	Percent Change 1985-1991
	State	Local	Combined		
United States	\$66.61	\$46.07	\$112.67	-	-2.7%
Plains					
Iowa	72.02	41.68	113.70	19	4.8
Kansas	62.07	44.81	106.88	31	3.9
Minnesota	85.75	40.80	126.55	8	-5.8
Missouri	55.78	36.11	91.89	48	1.9
Nebraska	63.73	48.56	112.29	22	11.5
North Dakota	77.95	35.70	113.65	20	3.7
South Dakota	48.04	47.13	95.16	46	0.7
Great Lakes					
Illinois	56.88	48.46	105.34	36	-1.6
Indiana	65.91	38.09	104.00	40	3.2
Michigan	64.93	50.45	115.38	17	-9.7
Ohio	60.59	45.62	106.21	32	-1.3
Wisconsin	81.45	46.59	128.04	6	-1.0

Sources: Government Finances 1990-91, and Governmental Finances 1984-85. U.S. Department of Commerce, Bureau of the Census.

- Minnesota's taxes per \$1,000 of personal income fell nearly 6 percent between 1985 and 1991, the only state in the Plains region that had a decline.
- According to *State Policy Reports*, Minnesota was one of only four Midwestern states that did not have an increase in state taxes in 1993.
- Between 1985 and 1991, three of Minnesota's four principle tax burdens declined, helping to reduce the state's overall tax burden. The general sales tax declined by 2.3 percent; the individual income tax, by 10.8 percent; and the corporate income tax, by 19.9 percent.

Table 5.2 State and Local Tax Revenue Per \$1,000 of Personal Income, Fiscal Year 1991

Property taxes were the largest source of governmental revenue for Minnesota.



States and Regions	Tax Revenue Per \$1,000 of Personal Income					Total State and Local Taxes	U.S. Rank
	Property Tax	General Sales Tax	Corporate Income Tax	Individual Income Tax	Other Taxes		
United States	\$36.03	\$26.90	\$4.77	\$23.45	\$21.51	\$112.67	-
Plains							
Iowa	40.07	21.00	4.22	28.13	20.27	113.70	19
Kansas	38.30	25.12	4.73	19.55	19.19	106.88	31
Minnesota	38.70	24.07	5.57	36.18	22.03	126.55	8
Missouri	21.73	28.31	2.51	22.84	16.50	91.89	48
Nebraska	42.73	26.08	2.95	21.75	18.77	112.29	22
North Dakota	33.12	25.96	5.26	11.80	37.52	113.65	20
South Dakota	37.03	30.65	3.51	0.00	23.96	95.16	46
Great Lakes							
Illinois	38.80	23.20	4.03	19.43	19.88	105.34	36
Indiana	34.14	27.06	3.31	26.59	12.90	104.00	40
Michigan	48.97	18.66	9.32	24.41	14.02	115.38	17
Ohio	31.02	21.87	3.30	32.05	17.97	106.21	32
Wisconsin	45.83	23.90	5.12	34.86	18.33	128.04	6

Source: Government Finances 1990-91. U.S. Department of Commerce, Bureau of the Census. Unpublished data. U.S. Department of Commerce, Bureau of the Census.

- State and local governments rely on a variety of taxes for revenue. Property, general sales and individual income taxes typically account for the majority of state and local government revenue.
- Minnesota had the second lowest general sales tax burden among the seven Plains states in fiscal year 1991. At \$24.07, it was nearly 11 percent lower than the U.S. average.
- Different states rely on various levels of taxes for revenue. For example, South Dakota relied on its property tax for 39 percent of its state and local tax revenue while Missouri's property tax provided only 24 percent of state and local tax revenue.

Table 5.3 General Tax Information

Minnesota's tax system is competitive with those in neighboring states.

	Corporate Income Tax ¹				Range of State and Local General Sales Tax Rate ⁴
States and Regions	Taxable Income Tax Brackets (lowest and highest)	Marginal Tax Rates	Corporate Capital Value Tax Rate ²	Personal Property Tax ³	
Plains					
Iowa	first \$25,000 above \$250,000	6.0% 12.0%	no	exempt	5.0% - 6.0%
Kansas	first \$50,000 above \$50,000	4.0% ⁵ 4.0% + 3.35% surtax	.1% of value	taxable	5.9% - 6.9%
Minnesota	Flat Rate	9.8%	no	exempt	6.5% - 7.5%
Missouri	Flat Rate	6.25%	.05% of value exceeding \$200,000	taxable	4.225% - 7.225%
Nebraska	first \$50,000 above \$50,000	5.58% 7.81%	first \$10,000 - \$43 above \$100 million - \$12,115	taxable	5.0% - 6.5%
North Dakota	first \$3,000 above \$50,000	3.0% 10.5%	no	taxable	5.0% - 5.5%
South Dakota	-	-	no	exempt	4.0% - 6.0%
Great Lakes					
Illinois	Flat Rate	4.8% + 2.5% surtax	.1% of value	exempt	6.25% - 8.75%
Indiana	Flat Rate	3.4%	no	taxable	5.0%
Michigan	Value-added tax	2.35% ^{5,6}	no	taxable	4.0%
Ohio	first \$50,000 above \$50,000	5.1% + .11% surtax ⁵ 8.9% + .22% surtax	.582% of value ⁷ + .014% surtax	taxable	5.0% - 7.0%
Wisconsin	Flat Rate	7.9% + 5.5% surtax	no	taxable	5.0% - 5.5%

1 The rates displayed are general rates only; determination of taxable income varies between states.

2 The determination of the capital value tax varies between states.

3 The definition of personal property varies between states.

4 The range represents the sales tax rate for cities and/or counties across the respective state.

5 Local governments may also impose a local corporate income tax.⁷

6 Michigan's value added tax is applied to a tax base that is defined as a business' sales less the costs of materials and rent.

7 Ohio businesses pay the greater of the corporate income tax or the capital value tax.

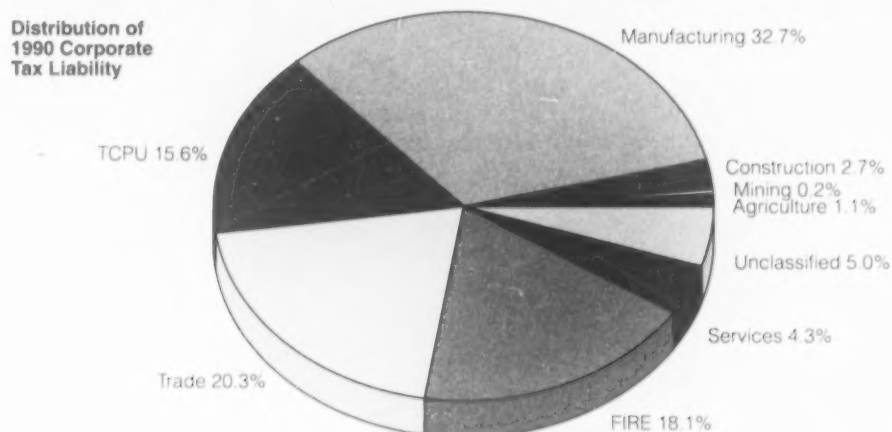
Note: For specific tax information, contact the appropriate state revenue office.

Sources: State Tax Handbook, 1993, Commerce Clearing House.
Significant Features of Fiscal Federalism, 1993, Advisory Commission on Intergovernmental Relations.
1993 All States Tax Handbook, Research Institute of America.

- States tax only corporate income that is attributable to that state. State taxable income is calculated by an apportionment formula.
- Minnesota allows a tax credit for many research and development (R&D) expenditures by corporations.
- Minnesota has a relatively narrow sales tax base, exempting most food and clothing purchases.
- Minnesota exempts all capital equipment purchased by new or expanding manufacturers from the sales tax and has a reduced sales tax for replacement equipment purchases by manufacturers.
- Unlike many states that weight apportionment factors equally, Minnesota's apportionment formula weights sales 70 percent, and payroll and property at 15 percent each. As a result, businesses with a small proportion of sales within Minnesota may have a significantly lower effective corporate income tax rate than similar businesses in other states.
- Minnesota does not impose a capital value franchise tax or tax any intangible property.
- Minnesota does not impose a property tax on personal property such as machinery, equipment or inventory.

Table 5.4 Corporate Income Tax Liability by Major Industry, 1983 and 1990 Tax Years

Manufacturing companies paid almost one-third of Minnesota's corporate income taxes in 1990.



Industry	Corporate Tax Liability 1983 (millions)	Distribution of 1983 Tax Liability (percent)	Corporate Tax Liability 1990 (millions)	Distribution of 1990 Tax Liability (percent)	Percent Change in Distribution*
Agriculture	\$ 3.2	1.2%	\$ 4.6	1.1%	-10.9%
Mining	3.3	1.2	1.0	0.2	-81.2
Construction	8.3	3.1	11.6	2.7	-13.4
Manufacturing	66.5	24.8	141.5	32.7	31.8
Transportation, Communications, Public Utilities (TCPU)	55.7	20.8	67.6	15.6	-24.8
Wholesale Trade and Retail Trade	49.3	18.4	87.7	20.3	10.2
Finance, Insurance, Real Estate (FIRE)	44.1	16.5	78.1	18.1	9.7
Services	17.9	6.7	18.7	4.3	-35.3
Unclassified	19.6	7.3	21.5	5.0	-32.0
Total	\$267.9	100.0%	\$432.4	100.0%	

* Percent change in distribution data uses unrounded numbers.

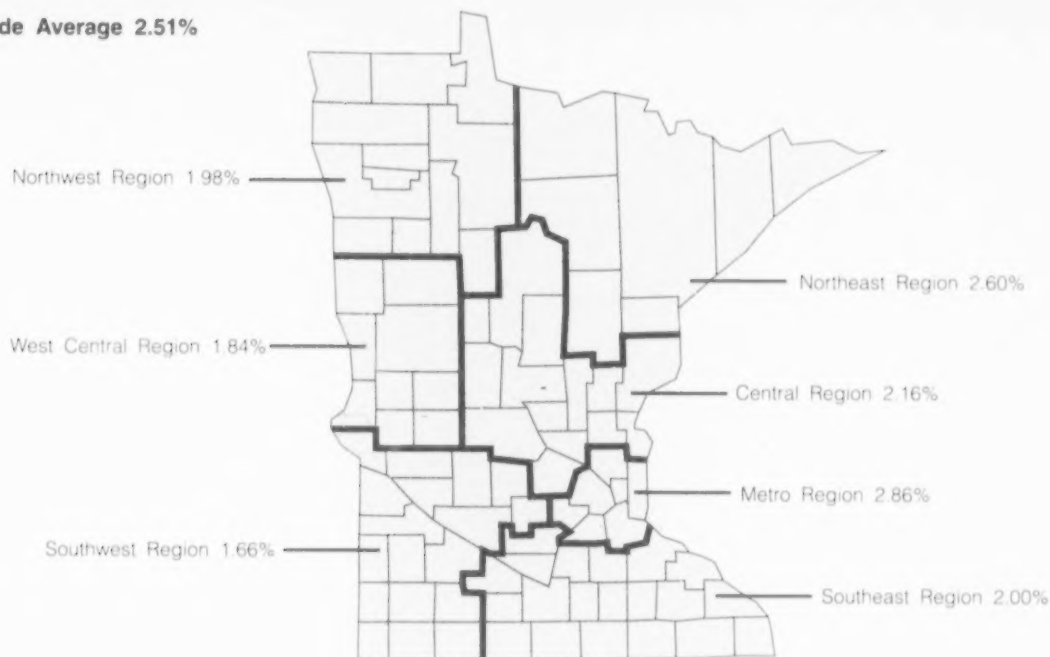
Source: Unpublished data, 1991, Minnesota Department of Revenue, Tax Research Division.

- Minnesota's manufacturing industry accounted for the largest share, nearly 33 percent, of 1990 state corporate income tax liability.
- Mining was the only industry to have a decline in the actual corporate income tax liability between 1983 and 1990. The services industry's tax liability increase of 4.5 percent was the smallest.
- The manufacturing, trade, and FIRE industries were the only industries that increased their share of corporate income tax liability between 1983 and 1990.
- The increasing share of corporate income taxes by Minnesota's manufacturing industry reflects the state's growing manufacturing sector.

Table 5.5 Effective Property Tax Rates by DTED Region, 1993

The range of effective overall property tax rates reflected the variety of land uses in Minnesota.

Statewide Average 2.51%



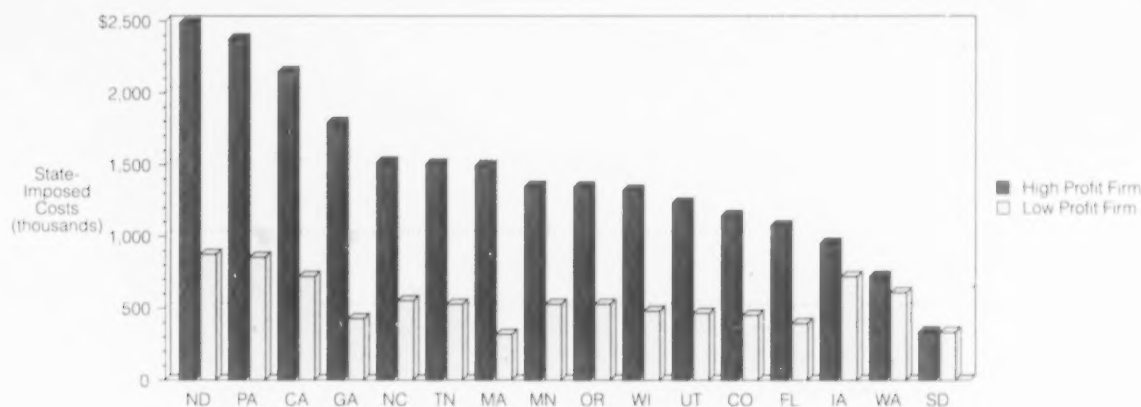
Note: Effective property tax rates are a percent of market value. They are calculated by dividing the property tax revenue by the indicated market value of the property.

Source: *Property Taxes Levied in Minnesota, 1992 Assessments, Taxes Payable in 1993*, Minnesota Department of Revenue

- Minnesota's property tax system uses 29 property assessment classifications, depending on land use. The property tax capacity or assessed value ranges from 0.45 percent to 4.7 percent of market value, depending on the property use.
- The actual tax liability depends on the local government tax rate that is applied equally to the assessed values of all parcels of property.
- The varying effective tax rates reflect different land uses and industry throughout Minnesota. For example, land used primarily for agricultural purposes (southwest region) generally has a relatively low effective tax rate while land used for commercial/industrial or mineral purposes (metro and northeast regions, respectively) has a relatively high effective rate.

Table 5.6 **Estimated State-Imposed Costs for a Medical Device Manufacturer in 16 Selected States**

Minnesota's total state-imposed business costs were close to the average for the selected states.



State	High Profit Firm		Low Profit Firm	
	Total Costs (thousands)	Rank	Total Costs (thousands)	Rank
California	\$2,147	3	\$721	4
Colorado	1,146	12	454	12
Florida	1,075	13	395	14
Georgia	1,792	4	428	13
Iowa	953	14	723	3
Massachusetts	1,493	7	319	16
Minnesota	1,348	8	529	8
North Carolina	1,517	5	553	6
North Dakota	2,486	1	876	1
Oregon	1,345	9	529	7
Pennsylvania	2,375	2	856	2
South Dakota	334	16	334	15
Tennessee	1,504	6	528	9
Utah	1,234	11	467	11
Washington	722	15	611	5
Wisconsin	1,322	10	481	10

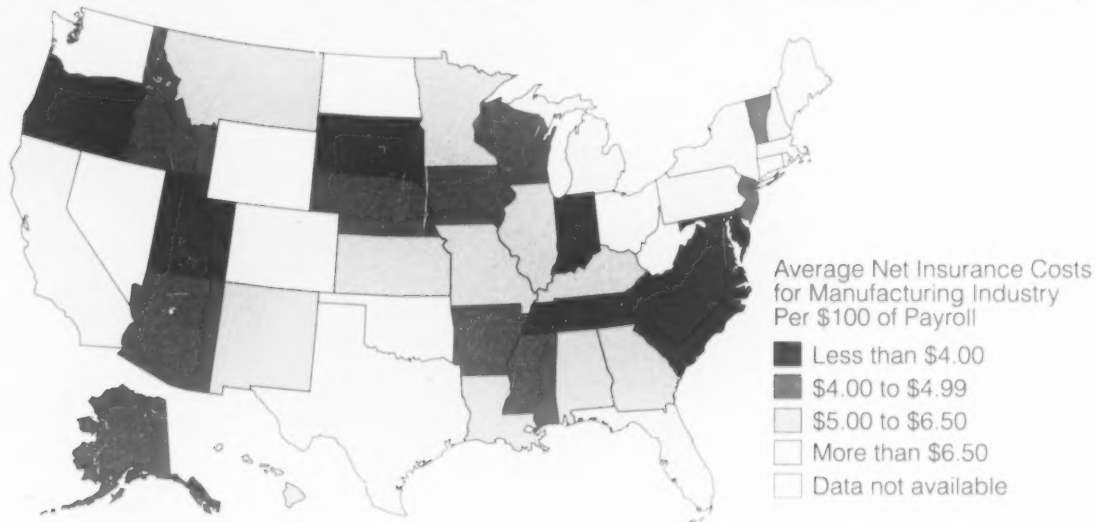
Note: Costs include corporate income tax or equivalent, property tax, sales tax, workers' compensation premiums, and unemployment insurance tax.

Source: *Minnesota Targeted Economic Development and Competitiveness Study, 1992*, Bugbee Anton and Associates.

- Among the 16 states included in the Bugbee Anton study, Minnesota's total state-imposed costs ranked eighth for both the low profit and high profit medical manufacturer models.
- The study found that at lower profit levels, property taxes accounted for a greater share of total state-imposed costs.
- The data for the high profit firm and the low profit firm were based on statistics for an actual publicly-traded company. Due to the simplifying assumptions made by the study's authors, the state-imposed costs will change if the assumptions change.

Table 5.7 Comparison of Workers' Compensation Costs for the Manufacturing Industry, 1993

Workers' compensation costs for Minnesota manufacturers were below the national average.



		Average Costs for Mfg. Industry Per \$100 of Payroll				Average Costs for Mfg. Industry Per \$100 of Payroll				Average Costs for Mfg. Industry Per \$100 of Payroll	
Rank	State			Rank	State			Rank	State		
	United States	\$5.53		17	Nebraska	\$4.38		34	Michigan	\$6.73	
1	Virginia	2.39		18	Wisconsin	4.43		35	Connecticut	6.82	
2	Indiana	2.51		19	Mississippi	4.46		36	Oklahoma	7.09	
3	South Carolina	3.23		20	Vermont	4.60		37	Colorado	7.12	
4	Maryland	3.38		21	Missouri	5.40		38	New York	7.37	
5	Oregon	3.48		22	Georgia	5.42		39	Florida	7.41	
6	North Carolina	3.63		23	Alabama	5.45		40	Rhode Island	8.30	
7	South Dakota	3.67		24	Minnesota	5.47		41	Massachusetts	8.55	
8	Delaware	3.77		25	Kansas	5.47		42	California	8.74	
9	Utah	3.93		26	Illinois	5.57		43	Texas	10.03	
10	Tennessee	3.96		27	Kentucky	5.93		44	Maine	10.59	
11	Arkansas	4.04		28	Hawaii	6.17		-	Nevada	NA	
12	Idaho	4.12		29	Louisiana	6.27		-	North Dakota	NA	
13	Iowa	4.20		30	Montana	6.34		-	Ohio	NA	
14	Arizona	4.21		31	New Mexico	6.45		-	Washington	NA	
15	New Jersey	4.25		32	New Hampshire	6.63		-	West Virginia	NA	
16	Alaska	4.38		33	Pennsylvania	6.72		-	Wyoming	NA	

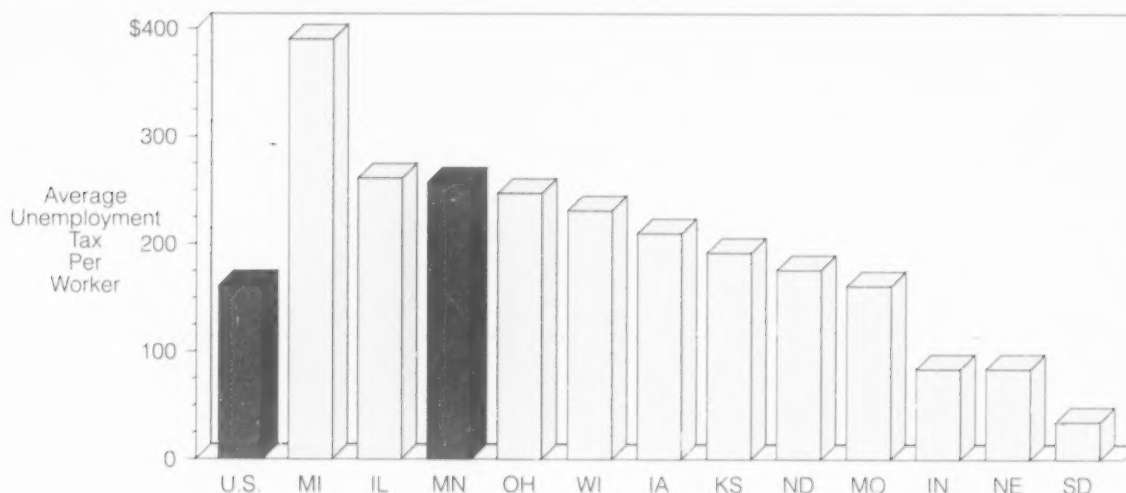
Note: These costs are the net insurance costs, which are the same as the actual premium costs incurred by employees. The study assumes uniform employment distribution among all states. The rates were effective January 1, 1993.
NA = not available

Source: State Rankings of Workers' Compensation Insurance Rates and Average Benefit Provisions for the Manufacturing Industry, September 1993, Actuarial and Technical Solutions.

- Minnesota's workers' compensation net costs fell significantly between 1992 and 1993, causing the state's ranking to fall from thirty-fourth to twenty-fourth.
- Minnesota had the thirteenth highest statutory benefit provisions among the 50 states in 1993.
- Average net workers' compensation costs for Minnesota manufacturers in 1993 were 1 percent below the national average.

Table 5.8 Average Unemployment Insurance Tax Rate Per Worker, 1993

Minnesota's unemployment tax rate was very similar to rates in the Great Lakes states.



States and Regions	Taxable Wage Base	Average Tax Rate as a Percent of Taxable Wage Base	Average Tax per Worker*	U.S. Rank
United States	\$7,000	2.3%	\$161	-
Plains				
Iowa	13,100	1.6	210	26
Kansas	8,000	2.4	192	30
Minnesota	14,300	1.8	257	13
Missouri	7,000	2.3	161	34
Nebraska	7,000	1.2	84	50
North Dakota	12,600	1.4	176	45
South Dakota	7,000	0.5	35	51
Great Lakes				
Illinois	9,000	2.9	261	12
Indiana	7,000	1.2	84	49
Michigan	9,500	4.1	390	6
Ohio	8,500	2.9	247	10
Wisconsin	10,500	2.2	231	22

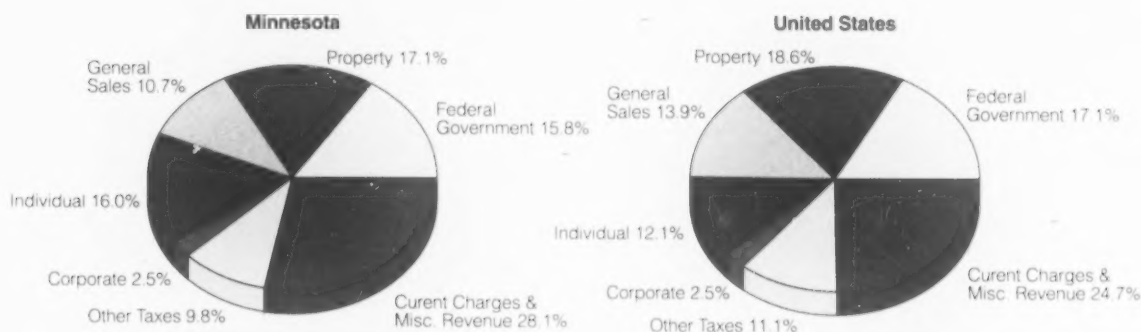
* Average tax per worker assumes that all workers earn an income equal to at least the tax base.

Source: Unpublished data, October 1993, Minnesota Department of Economic Security, Research Division.
Unpublished data, U.S. Department of Labor, Employment and Training Administration.

- Employers in all states pay federal unemployment taxes. Under the Federal Unemployment Tax Act (FUTA), employers are required to pay the federal government an effective rate of 0.8 percent on the first \$7,000 of each employee's wages.
- Between 1982 and 1993, Minnesota's average unemployment tax per worker fell nearly 8 percent.
- According to the Minnesota Department of Economic Security, Minnesota paid \$378 million in benefits in 1993, a decline of 8 percent over 1992 benefits paid. In contrast, revenues increased 19 percent, reaching \$397 million in 1993.

Table 5.9 State and Local Government General Revenue by Source, Fiscal Year 1991

Taxes accounted for 56 percent of Minnesota's government revenue.



General Revenue Source	Minnesota	Minnesota	U.S.	Revenue Per \$1,000	
	Revenue (billions)	Distribution	Distribution	Minnesota	U.S.
Federal Government	\$ 2.94	15.8%	17.1%	\$ 35.76	\$ 33.05
Taxes:					
Property	3.18	17.1	18.6	38.70	36.03
General Sales	1.98	10.7	13.9	24.07	26.90
Individual Income	2.97	16.0	12.1	36.18	23.45
Corporate Income	0.46	2.5	2.5	5.57	4.77
Other Taxes	1.81	9.8	11.1	22.04	21.52
Current Charges and Misc. Revenue	5.22	28.1	24.7	63.48	47.77
Total General Revenue	\$18.57	100.0%	100.0%	\$225.79	\$193.49

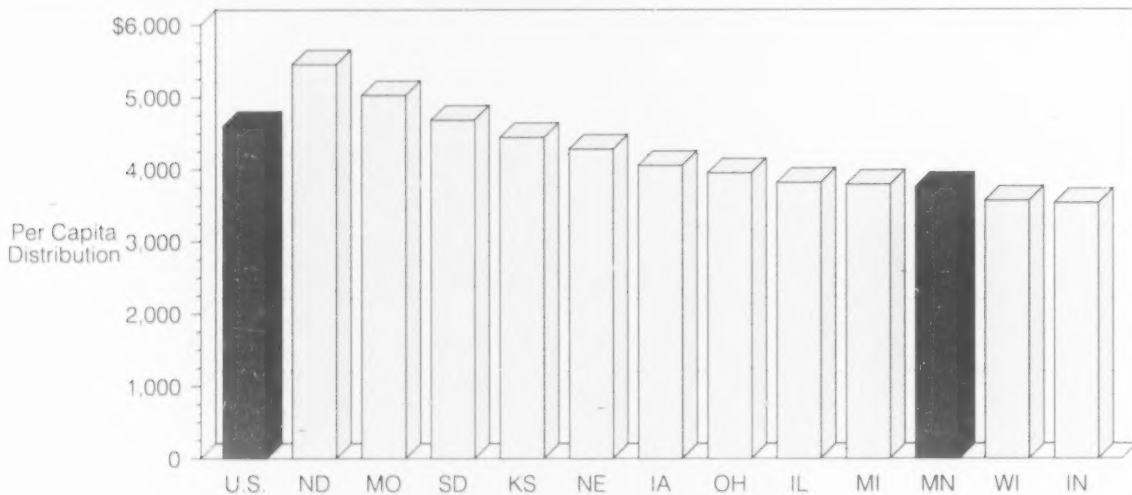
Note: General revenue is all government revenue except revenue from liquor stores, utilities and insurance trust revenue.

Source: Government Finances: 1990-91, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's state and local government general revenue totaled \$18.57 billion in fiscal year 1991, an increase of 5.2 percent from 1990. This compared to the national average increase of 6.2 percent.
- Taxes accounted for 56 percent of Minnesota state and local government general revenue; the national average was 58 percent.
- Minnesota's tax system is balanced between property, sales and income taxes. These taxes accounted for 31 percent, 19 percent and 33 percent, respectively, of total tax collections in fiscal year 1991.

Table 5.10 Distribution of Federal Funds by State, Fiscal Year 1992

Minnesota ranked forty-eighth in receipt of federal funds per capita.



States and Regions	Per Capita Distribution	Per Capita Rank	Total Distribution (millions)	Direct Payments to Individuals (millions)	Procurement (millions)	Grants and other Programs (millions)	Salaries and Wages (millions)
United States	\$4,599	-	\$1,191,087	\$611,774	\$200,195	\$217,530	\$161,588
Plains							
Iowa	4,053	36	11,397	6,772	721	3,085	819
Kansas	4,442	26	11,208	6,070	1,144	2,229	1,765
Minnesota	3,751	48	16,806	9,002	1,897	4,411	1,496
Missouri	5,025	11	26,093	13,105	4,679	5,130	3,179
Nebraska	4,280	32	6,873	3,691	586	1,600	996
North Dakota	5,452	7	3,467	1,506	219	1,202	540
South Dakota	4,684	16	3,330	1,633	236	941	520
Great Lakes							
Illinois	3,818	44	44,412	27,888	3,102	8,265	5,157
Indiana	3,529	50	19,980	12,105	1,832	4,107	1,936
Michigan	3,788	46	35,752	23,182	3,183	6,782	2,605
Ohio	3,950	39	43,514	26,418	4,949	7,919	4,228
Wisconsin	3,563	49	17,842	11,286	1,447	3,770	1,339

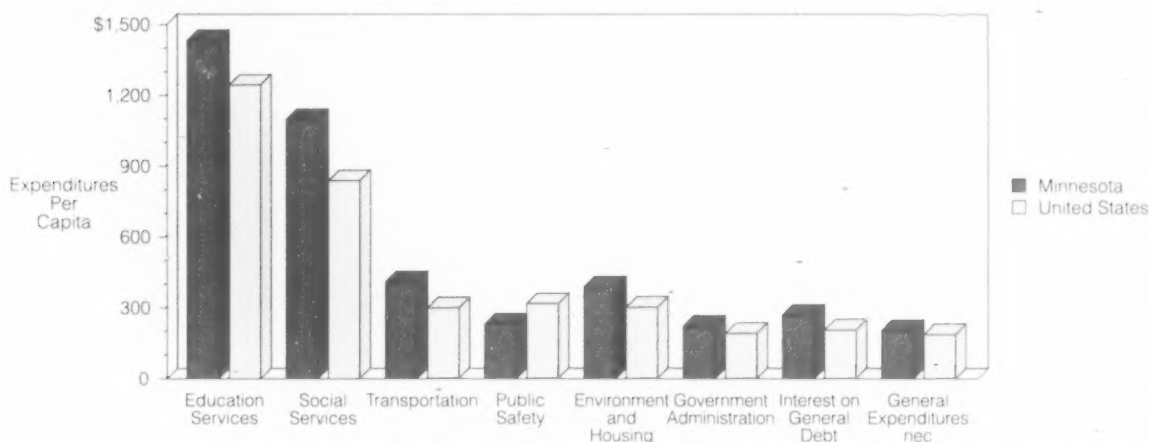
Note: Direct payments to individuals encompass a variety of programs including Social Security, Medicare, retirement payments and food stamps. Procurement data refers to all outlays or obligations for construction, purchase of equipment and any services entered into via contractual agreement.

Source: Federal Expenditures by State for Fiscal Year 1992, U.S. Department of Commerce, Bureau of the Census.

- In fiscal year 1992, Minnesota ranked twenty-third in the total amount of federal funds distributed and forty-eighth in per capita distribution. In general, Midwestern states received a low share of federal funds on a per capita basis.
- Minnesota received about \$2.9 billion in grants to state and local governments, of which about 55 percent was awarded by the Department of Health and Human Services (HHS).
- Nearly 54 percent of federal funds distributed in Minnesota were in the form of direct payments to individuals; the U.S. average was about 51 percent. Minnesotans received about 76 percent of these funds via Social Security and Medicare programs.
- Although the Department of Defense accounted for more than 76 percent of Minnesota's procurement contracts, the state ranked thirty-second on a per capita basis for procurement.

Table 5.11 State and Local Direct General Government Expenditures by Program, Fiscal Year 1991

Minnesota's per capita expenditures were 18 percent above the U.S. average.



Programs	Minnesota Expenditures (thousands)	Minnesota Expenditures Per Capita	U.S. Expenditures Per Capita	Per Capita Ratio of Minnesota to U.S.
Education Services				
Elementary and Secondary Education	\$4,271,469	\$963.78	\$863.06	1.12
Higher Education	1,705,977	384.92	312.28	1.23
Other	368,535	83.16	68.82	1.21
Social Services				
Public Welfare	2,990,693	674.80	503.47	1.34
Hospitals and Health	1,784,871	402.72	321.64	1.25
Other	85,630	19.32	13.51	1.43
Transportation				
Highways	1,659,180	374.36	257.50	1.45
Other	154,226	34.80	41.53	0.84
Public Safety				
Police Protection and Corrections	753,053	169.91	238.44	0.71
Other	269,395	60.78	78.53	0.77
Environment and Housing				
Natural Resources, Parks and Recreation	732,028	165.17	113.04	1.46
Housing and Community Development	372,096	83.96	66.02	1.27
Other	615,955	138.98	122.98	1.13
Government Administration	984,062	222.04	192.17	1.16
Interest on General Debt	1,190,767	268.67	207.13	1.30
General Expenditures, nec	898,167	202.66	187.22	1.08
Total General Expenditures	\$18,836,104	\$4,250.02	\$3,587.33	1.18

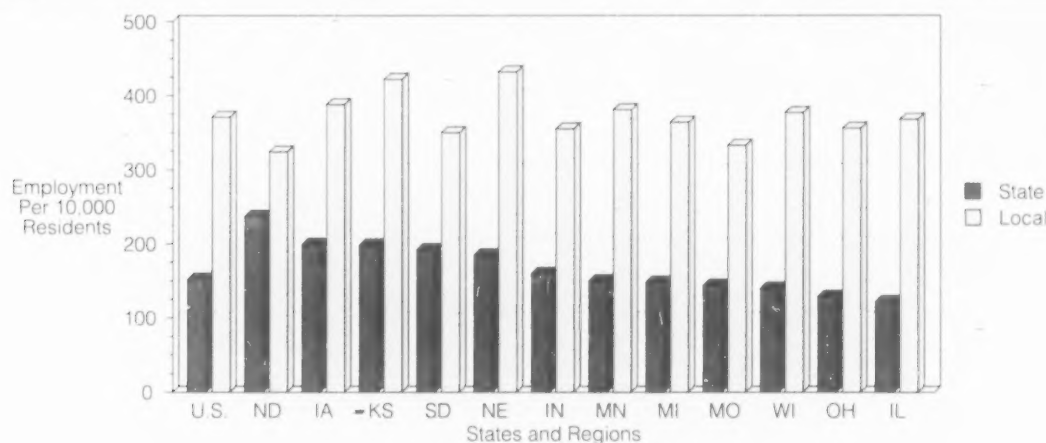
Note: Data may not equal totals due to rounding.
nec = not elsewhere classified.

Source: Government Finances: 1990-91, U.S. Department of Commerce, Bureau of the Census.

- Education continues to be the largest recipient of state and local expenditures. In fiscal year 1991, education expenditures accounted for 34 percent of Minnesota state and local spending and about 35 percent of the U.S. average spending.
- Public safety was the only service area where Minnesota spent less than the U.S. average in fiscal year 1991. Minnesota's low crime rate (Table 11.10) permits state and local governments to spend less on public safety.
- Education and natural resources are important to Minnesota. On a per capita basis, Minnesota state and local governments spent 15 percent more on education and 46 percent more on natural resources than the U.S. averages.
- On a per capita basis, Minnesota's state and local governments spent 30 percent more on general debt interest than the U.S. average.

Table 5.12 Employment in State and Local Government per 10,000 Residents, 1991

Minnesota had the second lowest number of state employees per 10,000 residents among the Plains states.



Employment Per 10,000 Residents						
States and Regions	State Government	U.S. Rank	Local Government	U.S. Rank	Total State and Local Government	U.S. Rank
United States	152	-	371	-	523	-
Plains						
Iowa	199	14	388	12	587	9
Kansas	198	16	422	6	620	7
Minnesota	150	35	381	14	530	29
Missouri	144	42	333	38	478	45
Nebraska	185	22	432	5	617	8
North Dakota	237	6	324	40	560	17
South Dakota	192	18	350	32	541	22
Great Lakes						
Illinois	122	48	368	24	490	42
Indiana	160	32	355	29	515	34
Michigan	148	37	364	25	513	35
Ohio	129	46	356	28	485	44
Wisconsin	140	43	377	16	517	33

Note: Employment numbers represent full-time equivalent employment.

Source: Public Employment 1991, U.S. Department of Commerce, Bureau of the Census.

- About 52 percent of Minnesota's full-time equivalent state and local public employment was involved in education in 1991, compared with 50 percent nationally.
- While Minnesota's total full-time equivalent employment per 10,000 residents was about 1 percent higher than the U.S. average, state government employment was about 1 percent less than the U.S. average.
- Minnesota's local government full-time equivalent employment per 10,000 residents was about 3 percent higher than the national average.
- Health care-related occupations accounted for about 12 percent of Minnesota's public employment, compared with the U.S. average of 11 percent.
- Public employment per 10,000 residents declined slightly between 1990 and 1991 in both Minnesota and the nation.

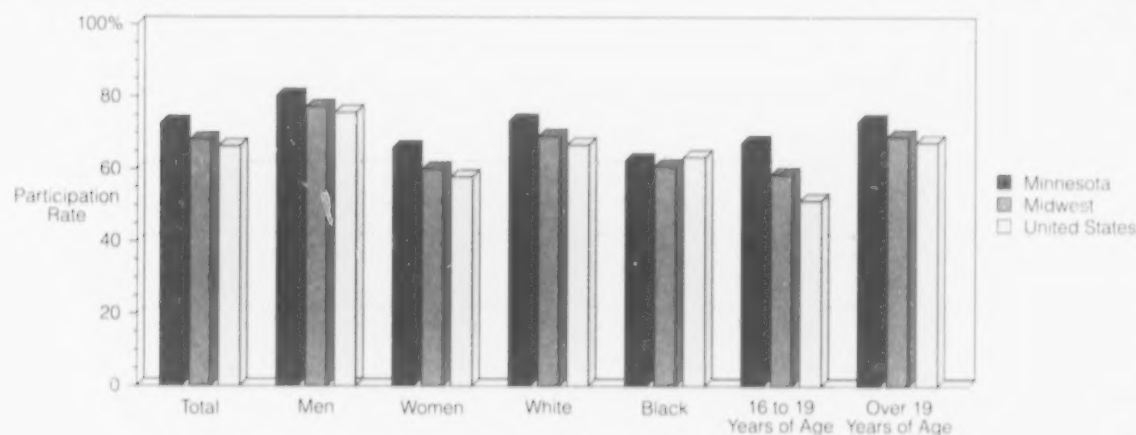
Labor 6

An educated, skilled and dedicated work force is Minnesota's most valuable resource. With a strong and diversified economy, the state boasts an unemployment rate that is among the lowest in the nation. Minnesota's average wages in manufacturing exceed the national average. For labor-intensive industries such as finance, insurance and real estate (FIRE), retail trade, and services, average wages in Minnesota are lower than the national average.



Table 6.1 **Civilian Labor Force Participation Rate, 1992**

The labor force participation rate in Minnesota was almost 10 percent higher than the national average.



	Minnesota Labor Force (thousands)	Participation Rate		
		Minnesota	Midwest	United States
Total	2,431	72.6%	68.1%	66.3%
Men	1,287	80.2	77.1	75.6
Women	1,144	65.7	59.9	57.8
White	2,335	73.2	69.0	66.7
Black	53	62.3	60.7	63.3
Hispanic Origin	*	*	70.5	66.5
16 to 19 Years of Age	158	67.2	58.4	51.3
Over 19 Years of Age	2,273	73.1	68.9	67.4

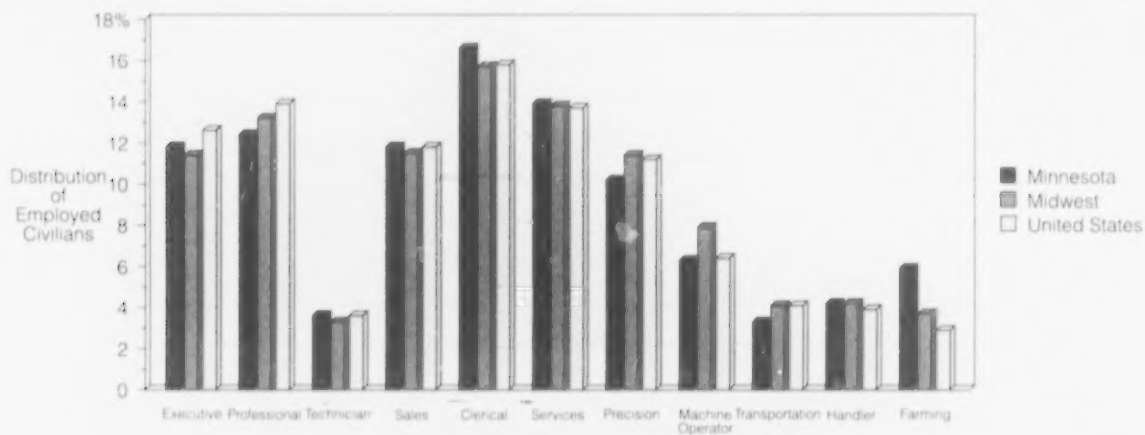
* In Minnesota, persons of Hispanic origin are included in either the White or Black category.
Note: For definitions of labor force and participation rate, please see glossary.

Source: *Geographic Profile of Employment and Unemployment, 1992*, U.S. Department of Labor, Bureau of Labor Statistics.

- The labor force participation rate in Minnesota in 1992 was 72.6 percent, almost 10 percent higher than the U.S. average of 66.3 percent. This reflects the strong work ethic often attributed to Minnesotans.
- Young Minnesotans appear to be relatively eager to join the work force. In 1992, the labor force participation rate for Minnesotans 16 to 19 years of age was 67.2 percent compared to the national rate of 51.3 percent and the Midwest rate of 58.4 percent.
- The labor force participation rate for Minnesota women was the only rate that increased between 1990 and 1992. Almost two-thirds of working age women were labor force participants in 1992. This increase signals a continuation of the trend toward more women in the work force in Minnesota. This trend is also evident in the labor force participation rates for women in the Midwest and U.S.

Table 6.2 **Distribution of Employed Civilians by Occupation, 1992**

The highest proportions of Minnesota workers were employed in administrative support, professional specialty and services occupations.



Occupation	Minnesota Employed Civilians (thousands)	Employed Civilians Distribution		
		Minnesota	Midwest	United States
Executive, Administrative and Managerial	271	11.8%	11.4%	12.6%
Professional Specialty	286	12.4	13.2	13.9
Technician and Related Support	83	3.6	3.3	3.6
Sales	271	11.8	11.5	11.8
Administrative Support, including Clerical	383	16.6	15.7	15.8
Services	320	13.9	13.8	13.7
Precision Production, Craft and Repair	236	10.2	11.4	11.2
Machine Operator, Assembler and Inspector	145	6.3	7.9	6.4
Transportation and Material Moving	76	3.3	4.1	4.1
Handler, Helper and Laborer	98	4.2	4.2	3.9
Farming, Forestry and Fishing	137	5.9	3.7	2.9
Total	2,306	100.0%	100.0%	100.0%

Source: Geographic Profile of Employment and Unemployment, 1992. U.S. Department of Labor, Bureau of Labor Statistics.

- More Minnesotans were employed in administrative support and clerical occupations in 1992 than in any other occupational group. The proportion of workers employed in this occupational group was higher in Minnesota than in both the Midwest and United States.
- The second largest occupational group was the services occupations, which employed almost 14 percent of the Minnesota work force. This was roughly equal to the percentages for the Midwest and the nation.
- The third largest group of Minnesotans — about 12 percent — was employed in professional specialties. This represented a drop of about 2 percentage points from 1990.
- The percentage of the Minnesota work force employed in farming, forestry and fishing occupations in 1992 was more than twice the national average and 60 percent higher than the Midwest average.

Table 6.3 Labor Productivity in Manufacturing: Value Added Per Production Worker, 1991

Labor productivity in Minnesota was above the national average and ranked twenty-fourth among the states.



Rank	State	Value Added per Production Worker (thousands)	Rank	State	Value Added per Production Worker (thousands)	Rank	State	Value Added per Production Worker (thousands)
	United States	\$114.1						
1	Louisiana	180.0	17	Hawaii	\$120.3	34	Wisconsin	\$101.6
2	Delaware	151.6	18	Illinois	119.0	35	North Carolina	101.6
3	Wyoming	144.5	19	Kansas	116.5	36	Nebraska	101.0
4	New Mexico	144.0	20	Ohio	116.2	37	North Dakota	100.1
5	New Jersey	141.7	21	Michigan	116.1	38	Georgia	95.8
6	Colorado	139.0	22	Kentucky	115.8	39	Oregon	92.0
7	Texas	138.0	23	Virginia	115.6	40	Tennessee	90.7
8	New York	137.3	24	Minnesota	114.8	41	Idaho	87.5
9	Maryland	136.2	25	Alaska	112.3	42	Nevada	86.6
10	Connecticut	135.6	26	Vermont	112.1	43	South Carolina	84.8
11	California	127.3	27	Oklahoma	108.7	44	Rhode Island	82.1
12	Washington	125.6	28	West Virginia	108.7	45	Montana	76.4
13	Massachusetts	125.4	29	Indiana	105.5	46	Maine	75.9
14	Arizona	125.0	30	New Hampshire	105.4	47	Alabama	75.6
15	Missouri	124.4	31	Pennsylvania	105.3	48	South Dakota	75.5
16	Iowa	123.8	32	Utah	105.2	49	Arkansas	74.4
			33	Florida	101.8	50	Mississippi	68.2

Source: 1991 Annual Survey of Manufactures, Geographic Area Statistics, U.S. Department of Commerce, Bureau of the Census

- In 1991, the average production worker in Minnesota added \$114,800 to the value of products manufactured in the state. This amount was slightly above the national average and gave Minnesota a ranking of twenty-fourth among the 50 states.
- Of neighboring states, only Iowa (at \$123,800) ranked ahead of Minnesota in value added per production worker.
- Of the 12 states in the Midwest, Minnesota ranked seventh in production worker productivity.
- Value added per production worker varied widely across the country in 1991. In the Midwest, it ranged from \$124,400 in Missouri, which was highest in the region and fifteenth in the nation, to \$75,500 in South Dakota.
- The wide range in productivity values results from the types and mix of industry within a state. The productivity values are influenced significantly by capital investment levels.

Table 6.4 Annual Average Wages by Selected Industry, 1992

Average wages in Minnesota increased by 48 percent between 1983 and 1992, about the same as the national average.

Major Industry Group	Minnesota		United States	
	Average Wage 1992	Growth 1983-1992	Average Wage 1992	Growth 1983-1992
Average Private Wage and Salary	\$24,924	47.5%	\$25,903	48.7%
Agricultural Services, Forestry and Fishing*	16,425	35.9	15,469	45.2
Mining	37,862	50.2	41,535	44.1
Metal Mining	39,179	55.0	41,438	40.8
Construction	30,621	37.5	27,382	33.6
Manufacturing	33,140	46.4	31,836	48.3
Food and Kindred Products	30,205	44.8	27,064	41.0
Lumber and Wood Products	27,695	40.2	22,405	36.2
Furniture and Fixtures	26,095	41.9	22,439	47.1
Paper and Allied Products	46,837	58.3	35,629	47.4
Printing and Publishing	26,889	43.1	29,052	51.9
Fabricated Metal Products	33,262	38.1	29,894	41.0
Industrial Machinery and Equipment**	37,592	51.6	36,263	51.4
Electronic and Other Electric Equipment	29,165	48.8	33,928	50.2
Instruments and Related Products	37,106	55.0	38,936	67.7
Transportation, Communications, Public Utilities (TCPU)	32,781	38.7	32,861	36.7
Communications	34,402	42.1	38,698	47.0
Electric, Gas Utilities and Sanitary Services	43,450	54.5	42,809	55.8
Wholesale Trade	33,503	52.8	32,931	53.1
Retail Trade	12,738	38.8	13,810	38.0
General Merchandising Stores	14,403	42.5	13,889	37.1
Eating and Drinking Places	7,995	47.0	9,095	43.3
Finance, Insurance and Real Estate (FIRE)	33,373	74.5	34,824	77.8
Banking	25,853	52.9	28,251	62.6
Insurance Carriers	36,218	77.4	35,353	74.4
Services	21,615	57.8	24,346	58.6
Business	19,421	44.5	21,634	36.0
Health	26,492	68.5	27,873	62.8
Legal	42,426	76.8	44,032	79.9
Social	14,055	39.3	14,443	55.2
Miscellaneous Services	38,732	75.4	49,211	102.3

* Does not include SIC codes 01 and 02.

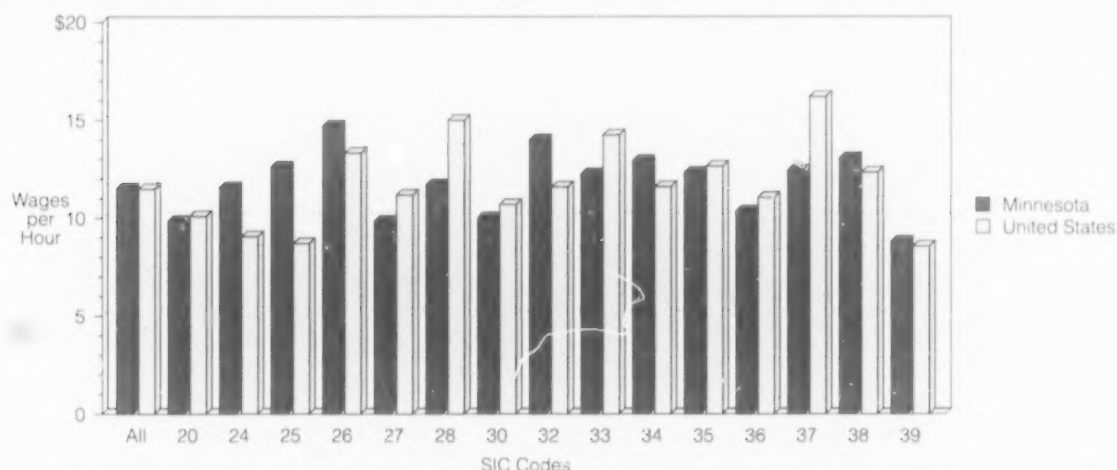
** Includes computers.

Source: *Employment and Wages, Annual Averages, 1983 and 1992*, U.S. Department of Labor, Bureau of Labor Statistics.
Minnesota Employment and Wages 1983 and 1992, Minnesota Department of Jobs and Training, Research and Statistics Office.

- The average wage in Minnesota in 1992 was \$24,924, an increase of 47.5 percent since 1983.
- Wages in the paper and allied products industry were the highest of any industry in Minnesota in 1992. At \$46,837, these wages were 58.3 percent above the 1983 level.
- Wages in the agricultural services, forestry and fishing industry showed the smallest increase, growing by only 35.9 percent between 1983 and 1992.
- Average wages in the insurance carriers industry showed the largest growth between 1983 and 1992, increasing by 77.4 percent to \$36,218. Wages in both the legal and health services industries also had large increases.

Table 6.5 Average Hourly Earnings of Production Workers in the Manufacturing Industry, 1991

Wages for manufacturing production workers in Minnesota were slightly above the national average.



SIC Code Industry	Production Worker Hourly Earnings	
	Minnesota	United States
20 Food and Kindred Products	\$9.85	\$10.10
22 Textile Mill Products	NA	8.08
23 Apparel and Other Textile Products	NA	6.73
24 Lumber and Wood Products	11.56	9.06
25 Furniture and Fixtures	12.61	8.70
26 Paper and Allied Products	14.70	13.33
27 Printing and Publishing	9.84	11.18
28 Chemicals and Allied Products	11.70	14.99
29 Petroleum and Coal Products	NA	17.37
30 Rubber and Miscellaneous Plastics Products	10.00	10.69
31 Leather and Leather Products	NA	7.43
32 Stone, Clay and Glass Products	13.98	11.59
33 Primary Metal Industries	12.25	14.24
34 Fabricated Metal Products	12.92	11.60
35 Industrial Machinery and Equipment*	12.32	12.65
36 Electronic and Other Electric Equipment	10.34	11.04
37 Transportation Equipment	12.43	16.19
38 Instruments and Related Products	13.05	12.34
39 Miscellaneous Manufacturing Industries	8.80	8.56
All Manufacturing	\$11.51	\$11.49

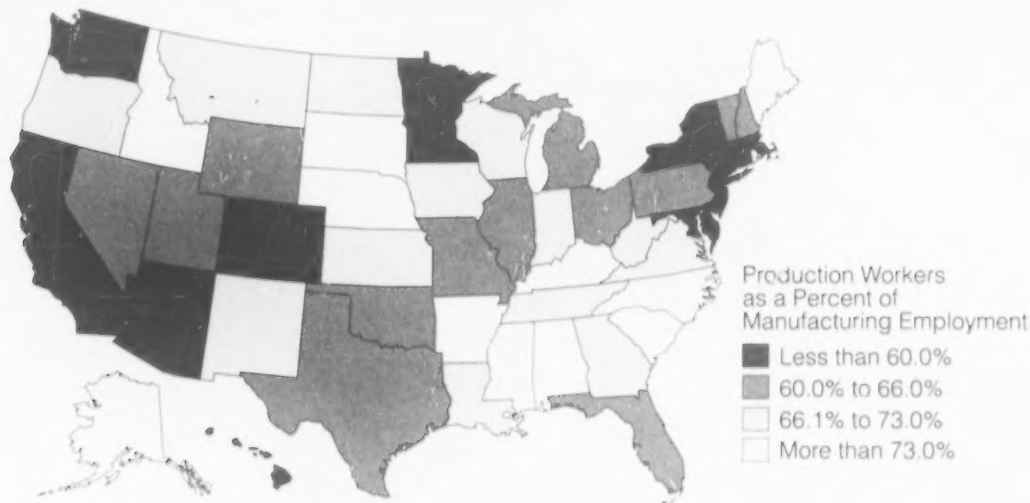
* Includes computers.
Note: NA = not available.

Source: 1991 Annual Survey of Manufactures, Geographic Area Statistics, U.S. Department of Commerce, Bureau of the Census.

- The average wage for manufacturing production workers in Minnesota in 1991 was \$11.51 per hour, slightly above the national average. Minnesota wages were above the national average for seven industries and below the national average for eight industries.
- Wages paid to Minnesota workers in the furniture and fixtures industry exceeded the national average by a significant 44.9 percent, the largest margin of any manufacturing industry.
- The highest average wage in Minnesota was in the paper and allied products industry at \$14.70 per hour, 10.3 percent above the U.S. average. The lowest average wage was \$8.80 per hour in the miscellaneous manufacturing industry.
- Average wages for Minnesota workers in the transportation equipment industry were 23.2 percent below the national average.

Table 6.6 **Production Workers as a Percent of Total Manufacturing Employment by State, 1991**

Minnesota had the eleventh lowest percentage of production workers in the United States.



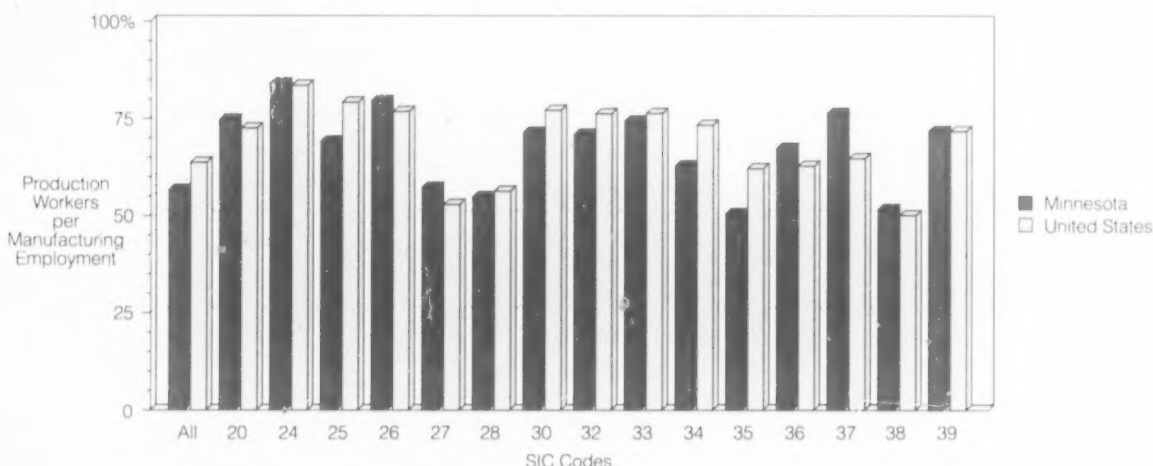
Rank	State	Production Workers as a Percent of Manufacturing Employment	Rank	State	Production Workers as a Percent of Manufacturing Employment	Rank	State	Production Workers as a Percent of Manufacturing Employment
	United States	63.7%	18	Utah	62.5%	35	Georgia	70.0%
1	District of Columbia	29.3	19	Michigan	63.6	36	Louisiana	70.3
2	Delaware	44.7	20	Missouri	63.7	37	Virginia	70.4
3	Connecticut	51.9	21	Pennsylvania	64.1	38	West Virginia	70.8
4	New Jersey	52.9	22	Ohio	64.9	39	Montana	72.2
5	Arizona	53.3	23	Oklahoma	65.2	40	Tennessee	72.7
6	Maryland	55.8	24	Wyoming	65.3	41	Maine	73.1
7	Washington	55.9	25	Vermont	65.9	42	Idaho	73.6
8	Colorado	56.0	26	Nevada	66.0	43	North Carolina	73.6
9	Massachusetts	56.1	27	Rhode Island	66.2	44	South Dakota	73.9
10	New York	56.4	28	North Dakota	66.9	45	Nebraska	74.2
11	Minnesota	56.7	29	Kansas	66.9	46	Kentucky	75.0
12	California	58.0	30	Wisconsin	67.1	47	South Carolina	75.2
13	Hawaii	59.6	31	New Mexico	67.1	48	Alabama	76.6
14	Illinois	60.3	32	Iowa	68.8	49	Arkansas	78.2
15	Florida	60.3	33	Oregon	69.6	50	Mississippi	79.6
16	Texas	60.9	34	Indiana	69.9	51	Alaska	79.9
17	New Hampshire	62.5						

Source: 1991 Annual Survey of Manufactures, Geographic Area Statistics, U.S. Department of Commerce, Bureau of the Census

- Production workers comprised 57 percent of Minnesota's manufacturing employment in 1991, compared to 64 percent nationwide
- Of all the states in the Midwest, Minnesota had the lowest percentage of production workers to total manufacturing workers.
- Seven of the top ten states with the lowest percentage of production workers were the more urbanized states located on the East Coast.
- Minnesota's low proportion of production workers means that the state's manufacturers employ a greater share of other occupations like managerial, professional, technical, clerical and sales. This is most likely due to the high concentration of research facilities and corporate headquarters in Minnesota.

Table 6.7 Production Workers as a Percent of Manufacturing Employment by Industry, 1991

The smallest percentage of production workers in Minnesota was in the industrial machinery and equipment industry.



SIC Code Industry	Percentage of Production Workers		SIC Code Industry	Percentage of Production Workers	
	Minnesota	U.S.		Minnesota	U.S.
20 Food and Kindred Products	74.6%	72.5%	30 Rubber and Misc. Plastics Products	71.4%	77.1%
22 Textile Mill Products	NA	86.2	31 Leather and Leather Products	NA	83.9
23 Apparel and Other Textile Products	NA	85.0	32 Stone, Clay and Glass Products	70.9	76.2
24 Lumber and Wood Products	84.0	83.5	33 Primary Metal Industries	74.3	76.3
25 Furniture and Fixtures	69.1	79.1	34 Fabricated Metal Products	62.8	73.3
26 Paper and Allied Products	79.5	76.8	35 Industrial Machinery and Equipment*	50.5	62.1
27 Printing and Publishing	57.2	52.9	36 Electronic and Other Electric Equipment	67.3	62.8
28 Chemicals and Allied Products	54.8	56.3	37 Transportation Equipment	76.3	64.7
29 Petroleum and Coal Products	NA	64.8	38 Instruments and Related Products	51.6	50.1
All Manufacturing	56.7%	63.7%	39 Misc. Manufacturing Industries	71.7	71.7

* Includes computers
Note: NA = not available

Source: 1991 Annual Survey of Manufactures, Geographic Area Statistics, U.S. Department of Commerce, Bureau of the Census

- The industrial machinery industry in Minnesota is primarily comprised of computer manufacturers. In 1991, this industry had the lowest proportion of production workers in the state (50.5 percent), followed closely by the instruments industry (51.6 percent). This demonstrates the importance of technical employees to high-tech firms.
- The proportion of production workers to total manufacturing employment in Minnesota was above the national average in seven industries and below the national average in seven industries in 1991.
- Minnesota's lumber and wood products industry had the highest percentage of production workers (84 percent), followed by the paper and allied products industry (79.5 percent).
- A lower proportion of production workers corresponds to a higher proportion of professional and managerial employees in Minnesota manufacturing companies.

Table 6.8 Engineers and Natural Scientists Per Million Residents, 1990

Minnesota ranked sixteenth nationally in the number of employed engineers and scientists per capita.



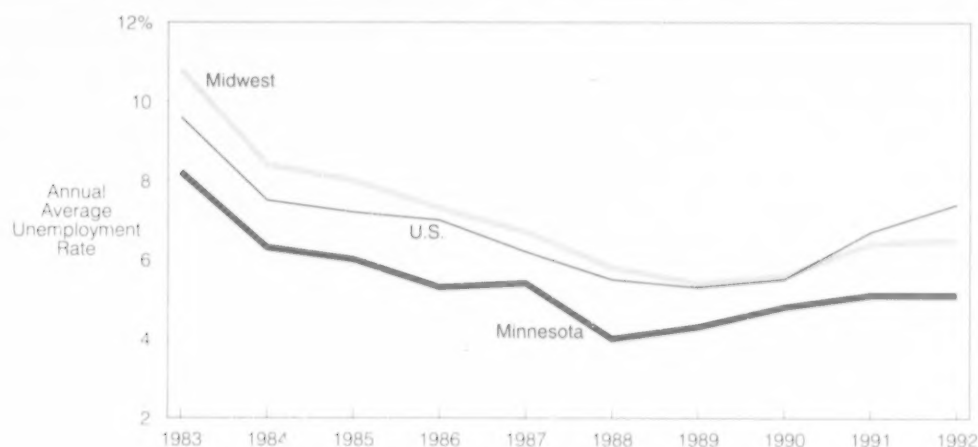
Rank	State	Engineers and Scientists Per Million Residents	Rank	State	Engineers and Scientists Per Million Residents	Rank	State	Engineers and Scientists Per Million Residents
	United States	12,066	18	Rhode Island	11,821	35	Wyoming	8,913
1	Maryland	22,274	19	Utah	11,656	36	Florida	8,830
2	New Hampshire	19,007	20	Illinois	11,625	37	South Carolina	8,712
3	Colorado	18,874	21	Vermont	11,223	38	Nevada	8,680
4	Massachusetts	18,864	22	New York	10,998	39	Tennessee	8,673
5	Connecticut	18,609	23	Pennsylvania	10,710	40	Oklahoma	8,490
6	Virginia	17,828	24	Ohio	10,666	41	Maine	8,359
7	Washington	17,307	25	Oregon	10,397	42	Louisiana	7,736
8	Delaware	16,937	26	Kansas	10,162	43	Nebraska	7,532
9	New Jersey	16,358	27	Idaho	9,955	44	Iowa	7,169
10	California	15,976	28	Alabama	9,906	45	Montana	6,968
11	District of Columbia	15,503	29	Missouri	9,855	46	Kentucky	5,997
12	Alaska	13,757	30	Georgia	9,679	47	Mississippi	5,924
13	New Mexico	13,185	31	Wisconsin	9,402	48	West Virginia	5,823
14	Texas	12,457	32	Hawaii	9,362	49	North Dakota	5,127
15	Arizona	12,320	33	Indiana	9,349	50	Arkansas	4,860
16	Minnesota	12,108	34	North Carolina	9,016	51	South Dakota	4,299
17	Michigan	11,887						

Source: 1990 Census of Population, Social and Economic Characteristics, Minnesota et al., September 1993, U.S. Department of Commerce, Bureau of the Census.

- In 1990, Minnesota ranked sixteenth nationally in the number of employed engineers and natural scientists per capita, with 12,108 per million residents.
- On a per capita basis, more engineers and scientists work in Minnesota than in any other Midwest state.
- The relatively high presence of engineers and scientists in the Minnesota work force reflects the concentration of high technology industries and corporate research facilities in the state.

Table 6.9 Annual Average Unemployment Rates, 1983 to 1992

Unemployment rates in Minnesota were consistently below the national and Midwest averages.



	Unemployment Rates									
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Minnesota	8.2%	6.3%	6.0%	5.3%	5.4%	4.0%	4.3%	4.8%	5.1%	5.1%
Midwest*	10.8	8.4	8.0	7.3	6.7	5.8	5.4	5.6	6.4	6.5
Great Lakes**	12.0	9.4	8.8	7.9	7.2	6.3	5.7	6.0	7.0	7.3
Plains***	7.9	6.2	6.2	5.8	5.5	4.7	4.5	4.6	5.0	4.8
United States	9.6%	7.5%	7.2%	7.0%	6.2%	5.5%	5.3%	5.5%	6.7%	7.4%

* Midwest includes the Great Lakes and Plains states.

** Great Lakes states include Illinois, Indiana, Michigan, Ohio and Wisconsin.

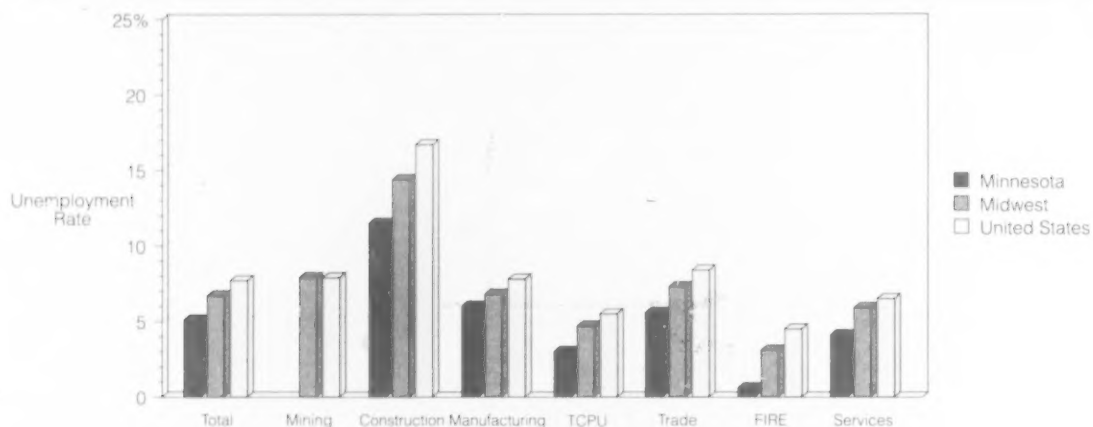
*** Plains states include Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.

Source: *Geographic Profile of Employment and Unemployment, 1991 and 1992* U.S. Department of Labor, Bureau of Labor Statistics.
Handbook of Labor Statistics, June 1991, U.S. Department of Labor, Bureau of Labor Statistics.

- The annual unemployment rate in Minnesota was below the U.S. and Midwest rates every year during the ten-year period from 1983 to 1992. The rate was 2.6 percentage points below the Midwest rate in 1983 and 2.3 percentage points below the U.S. rate in 1992.
- The heavily industrialized Great Lakes region was more severely affected by the recession of the early 1980s than most other states in the nation. This resulted in unemployment rates significantly higher than the national average through most of the 1980s. Unemployment in the Great Lakes region was below the national average in 1992 for the only time during the ten-year period.
- The Plains states, by contrast, have economies that are more agricultural and less industrial and were much less affected by the recessions in the 1980s and 1990s. Unemployment rates in these states remained consistently below the national average throughout the 1983-1992 period.
- During the ten years covered in the table, the unemployment rate in Minnesota dropped to a low of 4 percent in 1988 before increasing to 5.1 percent in 1991 and 1992.

Table 6.10 Unemployment Rates of Wage and Salary Workers by Major Industry Group, 1992

Minnesota unemployment rates in all sectors were lower than the national and Midwest averages.



Industry	Unemployment Rates		
	Minnesota	Midwest	United States
Mining	NA	7.9%	7.9%
Construction	11.5%	14.4	16.7
Manufacturing	6.0	6.8	7.8
Durable Goods	6.8	7.0	8.0
Non-durable Goods	5.2	5.9	7.5
Transportation, Communications, Public Utilities (TCPU)	3.0	4.7	5.5
Trade	5.6	7.3	8.4
Wholesale Trade	NA	5.9	6.5
Retail Trade	NA	7.6	8.8
Finance, Insurance, Real Estate (FIRE)	0.6	3.1	4.5
Services	4.1	5.9	6.5
Total Private Non-agricultural Wage and Salary	5.1%	6.7%	7.7%

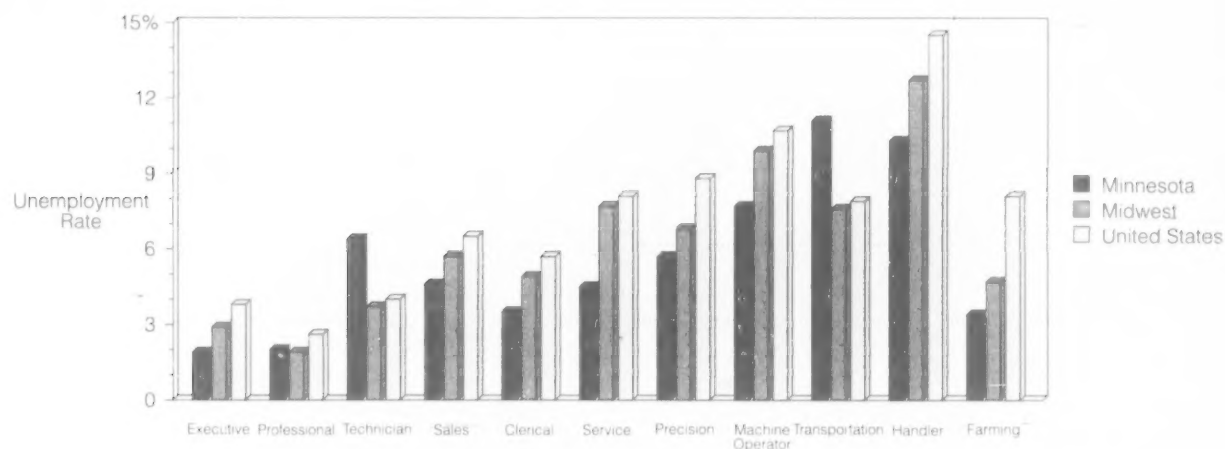
Note: NA = not available

Source: Geographic Profile of Employment and Unemployment, 1992; U.S. Department of Labor, Bureau of Labor Statistics

- Unemployment rates for all industries in 1992 were lower in Minnesota than in the U.S. and Midwest.
- The average unemployment rate for manufacturing industries in Minnesota was 11.8 percent below the average rate in the Midwest and 23.1 percent below the U.S. rate.
- Continued restructuring in the computer and defense-related industries, combined with the early 1990s recession, caused higher unemployment rates in Minnesota's durable goods manufacturing industry.
- The unemployment rate in Minnesota's construction industry was 11.5 percent in 1992, which was relatively high. However, this was a 6 percentage point decrease from the 1990 rate. The decrease between 1990 and 1992 was primarily due to increased residential construction that was spurred by low interest rates.
- The lowest 1992 unemployment rates in Minnesota, the Midwest and the U.S. were reported for the FIRE sector of the economy. The strength of this sector in Minnesota is demonstrated by the remarkably low unemployment rate of 0.6 percent.

Table 6.11 Unemployment Rates by Occupation, 1992

Unemployment rates for manufacturing production occupations were generally higher than rates for other occupations.



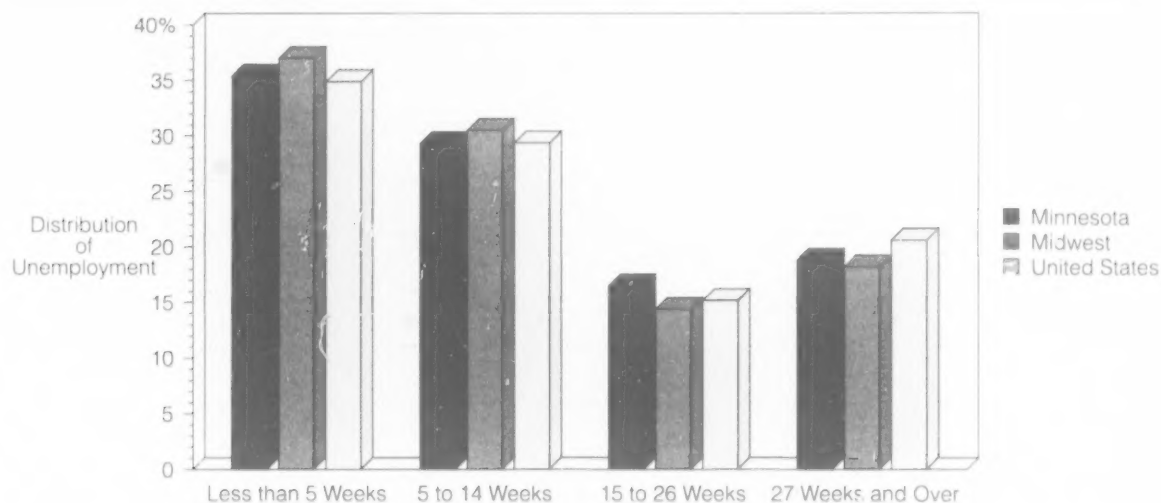
Occupation	Unemployment Rates		
	Minnesota	Midwest	United States
Executive, Administrative and Managerial	1.9%	2.9%	3.8%
Professional Specialty	2.0	1.9	2.6
Technician and Related Support	6.4	3.7	4.0
Sales	4.6	5.7	6.5
Administrative Support, including Clerical	3.5	4.9	5.7
Services	4.5	7.7	8.1
Precision Production, Craft and Repair	5.7	6.8	8.8
Machine Operator, Assembler and Inspector	7.7	9.9	10.7
Transportation and Material Moving	11.1	7.6	7.9
Handler, Helper and Laborer	10.3	12.7	14.5
Farming, Forestry and Fishing	3.4	4.7	8.1

Source: *Geographic Profile of Employment and Unemployment, 1992*. U.S. Department of Labor, Bureau of Labor Statistics

- Minnesota unemployment rates for manufacturing production occupations ranged from 11.1 percent to 5.7 percent, generally the highest rates reported in 1992 for all occupations. Of the other occupations, only technician and related support occupations, at 6.4 percent, had a rate in this range.
- Unemployment rates for manufacturing production occupations in the Midwest and the nation were also generally higher than for other occupations.
- Executive, administrative and managerial occupations had the lowest unemployment rate in Minnesota, followed by professional specialty occupations. Both occupational groups had about 2 percent unemployment in 1992.
- For eight of the eleven occupations in the table, the unemployment rate in 1992 was lower in Minnesota than in the Midwest and the United States.

Table 6.12 Distribution of Unemployed Persons by Duration of Unemployment, 1992

Most unemployed persons in Minnesota were out of work less than 15 weeks.



Duration	Minnesota	Midwest	United States
27 Weeks and Over	18.8%	18.2%	20.6%
15 to 26 Weeks	16.5	14.4	15.2
5 to 14 Weeks	29.3	30.5	29.4
Less than 5 Weeks	35.4	37.0	34.9

Source: *Geographic Profile of Employment and Unemployment, 1992*. U.S. Department of Labor, Bureau of Labor Statistics.

- Overall, the distribution of unemployed persons by length of time unemployed was very similar in Minnesota, the Midwest, and the nation in 1992.
- The highest percentage of unemployed persons in Minnesota, the Midwest and the United States was unemployed for less than 5 weeks.
- Although the percentage of Minnesotans unemployed from 5 to 26 weeks in 1992 was similar to that reported in 1990, the percentage unemployed 27 weeks and over almost doubled. This sizable increase was probably due to the recession of the early 1990s.

Table 6.13 Unemployment Insurance Indicators, 1991

Unemployment benefits in Minnesota averaged 42.5 percent of weekly wages.

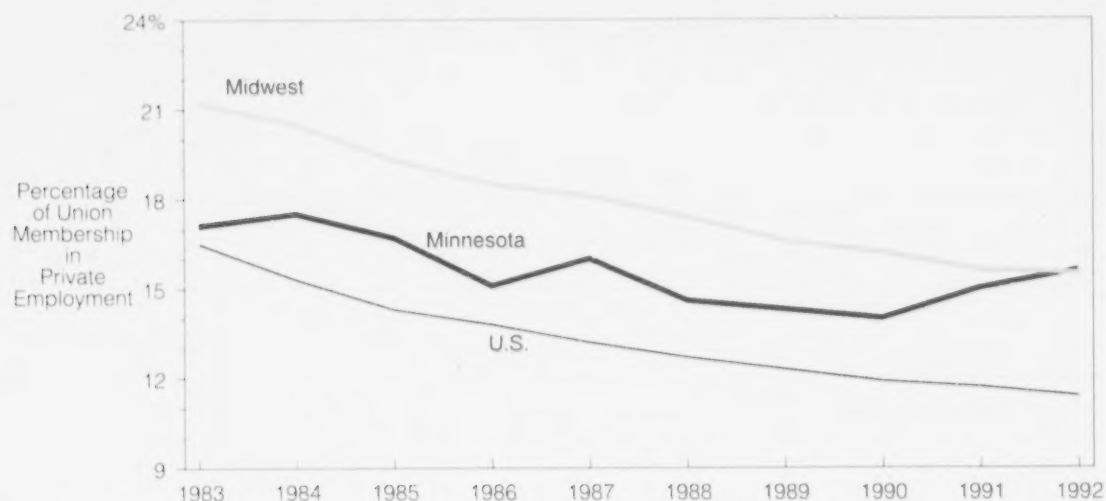
<i>Indicators</i>	<i>Minnesota</i>	<i>United States</i>
Overall Unemployment Rate	5.1%	6.7%
Unemployment Rate for Insured Unemployed	2.4%	3.2%
Insured Unemployed as a Percent of Total Unemployment	38.7%	39.7%
Average Duration of Claims (weeks)	15.6	15.4
Percent of Claimants Exhausting Benefits	34.0%	34.8%
Average Weekly Wage in Covered Employment	\$455.34	\$464.08
Average Weekly Benefits Collected by Claimants	\$194.47	\$169.88
Average Weekly Benefit as a Percent of Average Weekly Wage	42.5%	36.4%
Total Benefits Paid as a Percent of Total Wages	1.1%	1.2%
Average Employer Tax Rate as a Percent of Total Wages	0.7%	0.7%
Average Tax Paid per Covered Employee	\$177.65	\$170.45

Source: *ET Handbook No. 394, Annual Update 1991, Unemployment Insurance Financial Data*, U.S. Department of Labor, Employment and Training Administration.
Geographic Profile of Employment and Unemployment, 1991, U.S. Department of Labor, Bureau of Labor Statistics.

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- Weekly unemployment benefits for unemployed Minnesotans were almost \$25 higher than the national average in 1991.
 - Unemployed Minnesotans received an average of 42 percent of their weekly wage in unemployment benefits. This was the sixth highest level in the nation, according to the *ET Handbook*.
 - Despite higher benefit levels in Minnesota, total benefits paid as a percent of total wages were below the national average.
 - Just over one-third (34 percent) of Minnesotans who received first time benefits in 1991 exhausted their unemployment benefits before returning to work. The average for the nation was slightly higher, almost 35 percent.
 - Overall, the unemployment rates for both Minnesota and the U.S. increased from 1989 to 1991. Increases in some of the other indicators reflect how their higher rates increase the financial impact on the unemployment insurance system.

Table 6.14 Union Membership in Private Employment, 1983 to 1992

The percentage of union membership among Minnesota's private sector employees decreased 9 percent.



Number of Union Members in Private Employment (thousands)

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Minnesota	239	258	252	224	237	234	236	229	251	259
Midwest	3,773	3,819	3,693	3,609	3,568	3,525	3,473	3,374	3,230	3,246
United States	11,980	11,684	11,253	11,085	10,857	10,702	10,536	10,255	9,936	9,737

Percentage of Union Membership in the Private Labor Force

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
Minnesota	17.1%	17.5%	16.7%	15.1%	16.0%	14.6%	14.3%	14.0%	15.0%	15.6%
Midwest	21.2	20.5	19.3	18.5	18.1	17.4	16.6	16.2	15.6	15.5
United States	16.5	15.3	14.3	13.8	13.2	12.7	12.3	11.9	11.7	11.4

Source: Barry T. Hirsch and David A. Macpherson, "Union Membership and Coverage Files from the Current Population Surveys," *Industrial and Labor Relations Review*, Vol. 46, No. 3, April 1993, pp. 574-578.

- Union membership as a percentage of the work force decreased between 1983 and 1992 in Minnesota, the Midwest and the nation. Membership in unions by Minnesota workers declined from 17.1 percent to 15.6 percent during that period.
- Historically, mining occupations have had the highest percentage of private sector union membership in Minnesota, followed by manufacturing.
- The highest percentage of union membership among Midwestern states was in Michigan where 19.6 percent of private sector employees belonged to labor unions in 1992. Indiana had the second highest rate at 18.8 percent, followed by Illinois and Ohio at 16.2 percent and 15.8 percent, respectively.
- Union membership in Minnesota was lower than the Midwest average every year from 1983 to 1991.

Education 7

Minnesota supports high quality education at all school levels. This strong support results in above average test scores and school resources. When compared to the nation, elementary and secondary students demonstrate superior competence in math and reading skills. They also have above average computer access. Post-secondary schools, such as the University of Minnesota and the technical college system, offer an extensive range of programs, many of which are respected nationwide. Minnesota's per capita expenditures show that first-rate education is a high priority. These resources and support help Minnesota students to enter the work force as highly skilled and productive employees.

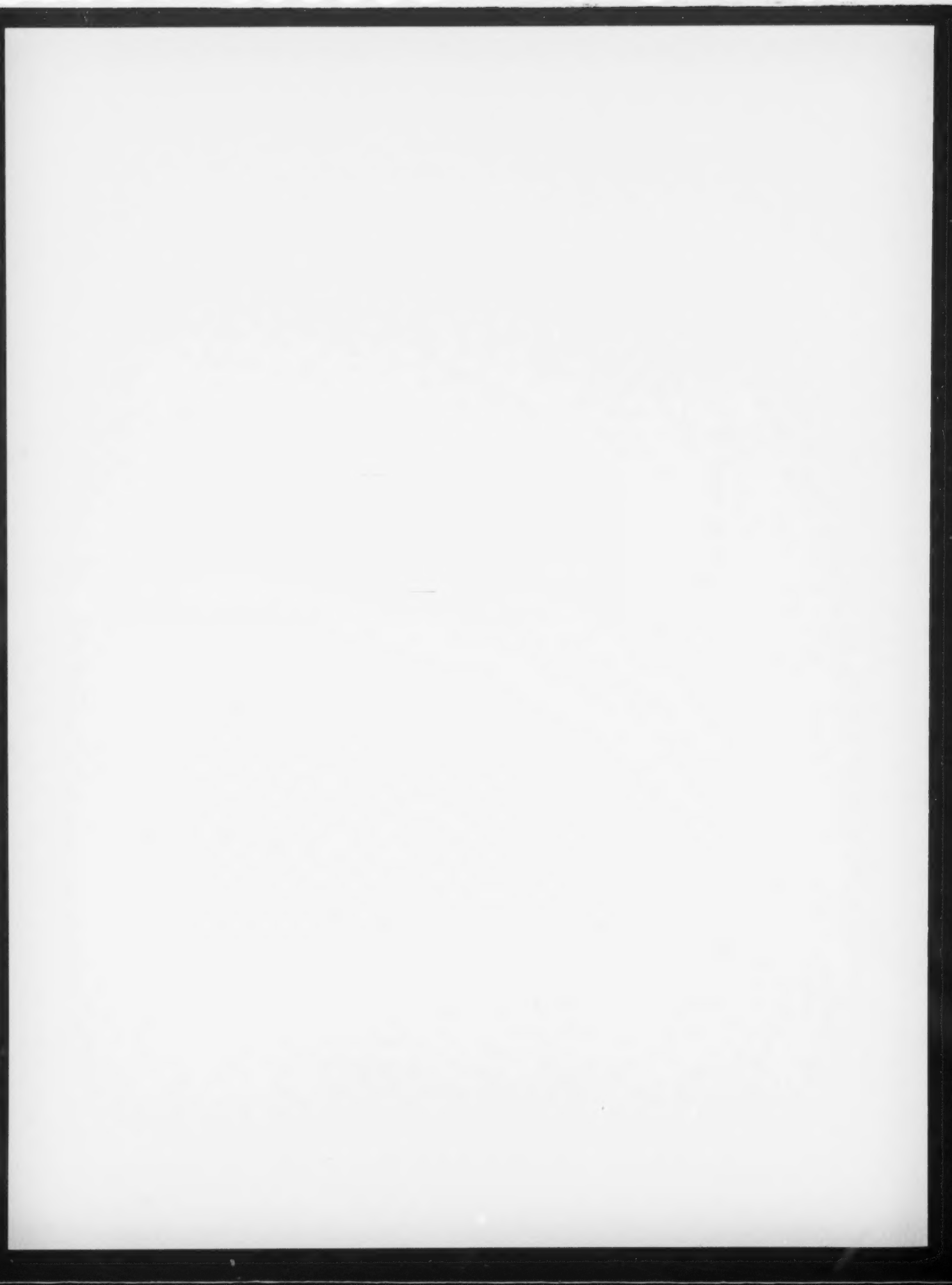
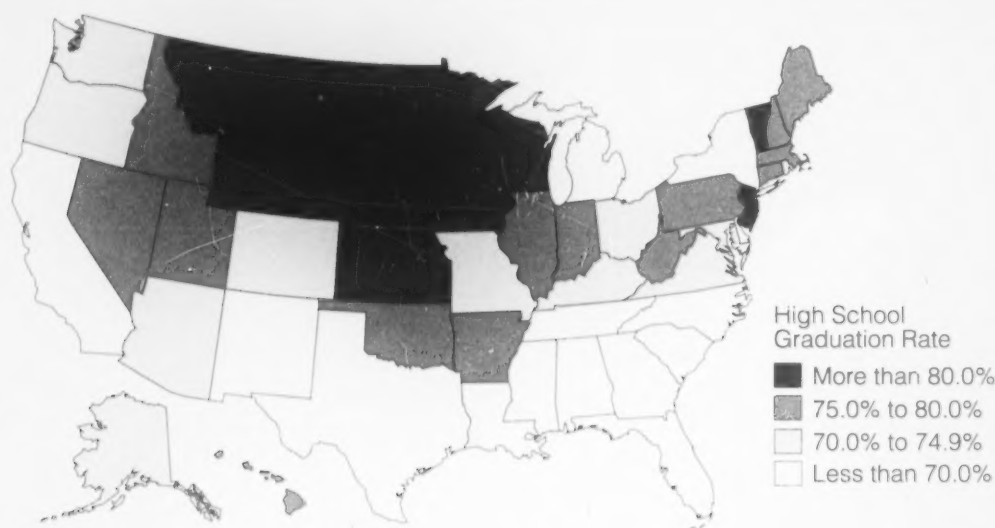


Table 7.1 High School Graduation Rates, 1990-91 School Year

Minnesota's high school graduation rate was first in the nation.



Rank	State	Graduated	Rank	State	Graduated	Rank	State	Graduated
	United States	71.2%						
1	Minnesota	89.5	18	Illinois	77.5%	35	Oregon	71.6%
2	North Dakota	86.7	19	West Virginia	77.5	36	Kentucky	70.0
3	Nebraska	86.3	20	Nevada	77.4	37	Michigan	69.9
4	Iowa	85.9	21	Arkansas	76.6	38	New Mexico	69.5
5	Montana	84.9	22	New Hampshire	76.2	39	North Carolina	68.4
6	South Dakota	84.2	23	Hawaii	76.1	40	Delaware	68.0
7	Wisconsin	82.5	24	Oklahoma	75.5	41	Tennessee	67.8
8	New Jersey	82.1	25	Indiana	75.3	42	California	67.7
9	Wyoming	81.7	26	Colorado	74.5	43	Texas	65.9
10	Kansas	81.1	27	Rhode Island	73.6	44	Alabama	65.6
11	Vermont	80.9	28	Virginia	73.6	45	New York	64.4
12	Massachusetts	79.7	29	Maryland	73.1	46	Georgia	64.0
13	Idaho	79.7	30	Washington	73.1	47	Mississippi	61.7
14	Maine	79.0	31	Missouri	72.5	48	Florida	61.2
15	Utah	79.0	32	Arizona	72.4	49	South Carolina	61.2
16	Connecticut	78.6	33	Alaska	72.3	50	District of Columbia	59.5
17	Pennsylvania	78.5	34	Ohio	72.3	51	Louisiana	54.3

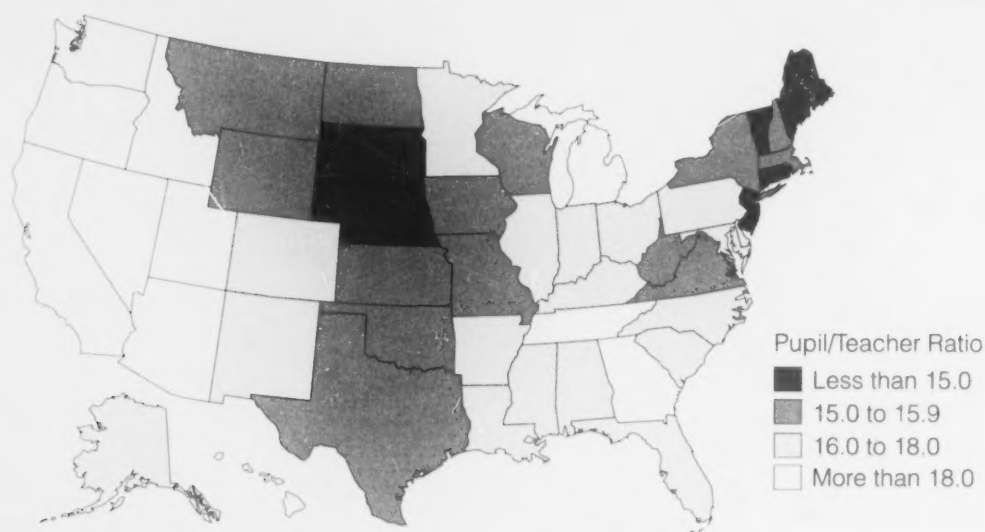
Note: High school graduation is calculated by dividing the number of high school graduates by ninth grade enrollment.

Source: Digest of Education Statistics, 1992, U.S. Department of Education, National Center for Education Statistics.

- In Minnesota, nearly 90 percent of the students who were ninth graders in 1987 graduated in 1991, far above the national average of 71.2 percent. The total number of Minnesota students graduating in 1991 was 46,474.
- The U.S. Department of Education has recognized 53 Minnesota schools as "Blue Ribbon Schools." Since 1982, this program has identified schools that are centers of education excellence.
- According to the Minnesota Department of Education, Minnesota schools had a 97 percent attendance rate during the 1991-92 school year.
- Minnesota's public school open enrollment program allows elementary and secondary students to enroll in a school other than the one where the pupil lives.
- According to the U.S. Bureau of Census, Minnesota had the second lowest dropout rate in the nation in 1990. During that year, 6.1 percent of Minnesota's 16- to 19-year-old residents were not enrolled in high school and had not yet graduated, which was significantly lower than the U.S. average of 11.2 percent.

Table 7.2 Pupil/Teacher Ratio in Grades K to 12, Fall 1991

Minnesota's pupil/teacher ratio was slightly below the national average.



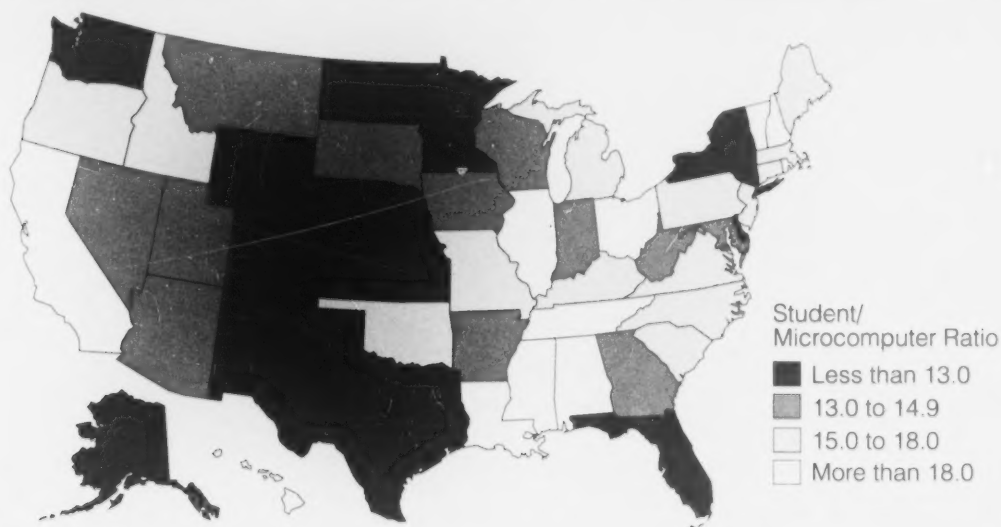
Rank	State	Pupil/ Teacher Ratio	Rank	State	Pupil/ Teacher Ratio	Rank	State	Pupil/ Teacher Ratio
	United States	17.3						
1	District of Columbia	13.2	18	Virginia	15.7	35	Indiana	17.5
2	Vermont	13.8	19	Wisconsin	15.7	36	Florida	17.6
3	New Jersey	13.8	20	Texas	15.8	37	New Mexico	17.6
4	Connecticut	14.0	21	Montana	15.8	38	Alabama	17.8
5	Maine	14.0	22	Missouri	15.8	39	Colorado	17.9
6	Rhode Island	14.6	23	Louisiana	16.6	40	Mississippi	17.9
7	Nebraska	14.7	24	Alaska	16.7	41	Hawaii	18.5
8	South Dakota	14.8	25	Delaware	16.8	42	Georgia	18.5
9	Massachusetts	15.1	26	Pennsylvania	16.8	43	Nevada	18.6
10	Kansas	15.2	27	North Carolina	16.8	44	Oregon	18.6
11	West Virginia	15.3	28	Illinois	16.8	45	Michigan	19.2
12	North Dakota	15.3	29	Maryland	16.9	46	Arizona	19.3
13	New York	15.4	30	South Carolina	16.9	47	Tennessee	19.4
14	New Hampshire	15.5	31	Arkansas	17.0	48	Idaho	19.4
15	Wyoming	15.6	32	Minnesota	17.2	49	Washington	20.2
16	Oklahoma	15.6	33	Kentucky	17.2	50	California	22.8
17	Iowa	15.7	34	Ohio	17.3	51	Utah	24.9

Source: *Digest of Education Statistics, 1992*, U.S. Department of Education, National Center for Education Statistics.

- Minnesota's pupil/teacher ratio in the fall of 1991 was slightly lower than the United States average and ranked thirty-second nationally. The state's elementary and secondary schools had 44,903 teachers instructing 773,571 students, a pupil/teacher ratio of 17.2.
- Minnesota has maintained its pupil/teacher ratio at approximately 17 since 1986.
- Minnesota's college option allows high school students to attend a college, university or technical college, either full-time or part-time, at no cost to the student.
- Many Minnesota public high schools offer "tech prep" programs. Tech prep integrates academic and technical college vocational courses that help students prepare for specific post-secondary majors in technical fields.

Table 7.3 Student/Computer Ratio in Public Elementary and Secondary Schools, 1992-93 School Year

Minnesota students had greater access to computers than students in most states.



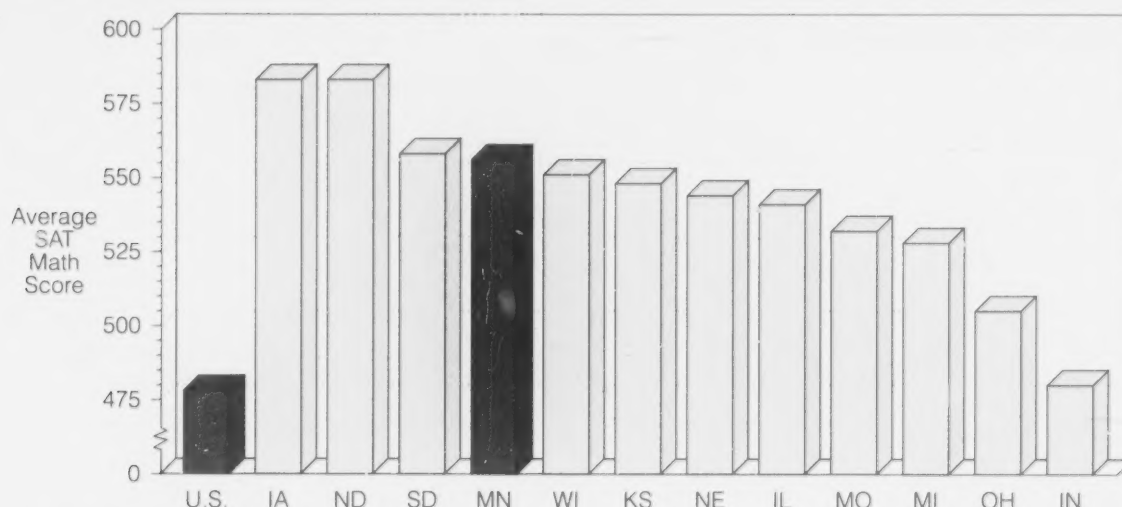
Rank	State	Student/ Microcomputer Ratio	Rank	State	Student/ Microcomputer Ratio	Rank	State	Student/ Microcomputer Ratio
	United States	15.6						
1	Wyoming	9.3	18	Nevada	13.4	35	North Carolina	17.0
2	Alaska	9.5	19	Arizona	13.7	36	Connecticut	17.2
3	Minnesota	11.9	20	South Dakota	14.0	37	Virginia	17.4
4	Colorado	11.9	21	Georgia	14.7	38	Massachusetts	17.4
5	New Mexico	11.9	22	West Virginia	14.8	39	Pennsylvania	17.5
6	North Dakota	12.0	23	Utah	14.8	40	Rhode Island	18.6
7	Delaware	12.3	24	Maryland	14.9	41	Hawaii	18.7
8	Texas	12.4	25	Arkansas	14.9	42	Illinois	19.0
9	New York	12.6	26	Oregon	15.0	43	Ohio	20.2
10	Nebraska	12.7	27	Oklahoma	15.3	44	California	21.0
11	Kansas	12.7	28	Missouri	15.5	45	Tennessee	21.4
12	Florida	12.8	29	Michigan	15.6	46	Alabama	21.7
13	Washington	12.9	30	Kentucky	16.0	47	Vermont	22.1
14	Montana	13.0	31	Idaho	16.3	48	Louisiana	22.4
15	Iowa	13.0	32	New Jersey	16.3	49	District of Columbia	23.1
16	Indiana	13.1	33	South Carolina	16.4	50	Mississippi	24.4
17	Wisconsin	13.1	34	Maine	16.8	51	New Hampshire	24.9

Source: *Technology in Schools, 92-93, 1993, Quality Education Data.*

- In the 1992-93 school year, Minnesota ranked third nationally with one microcomputer for every 12 students in public elementary and secondary schools. Nationally, there was one microcomputer for every 16 students.
- The number of computers in Minnesota schools increased more than 17 percent between the 1991-92 and 1992-93 school years.

Table 7.4 SAT College Entrance Exam Average Scores, 1992-93 School Year

Minnesota's SAT scores were among the nation's highest.



States and Regions	Percent of High School Graduates Taking the SAT			States and Regions	Percent of High School Graduates Taking the SAT		
	Average Verbal Score	Average Math Score			Average Verbal Score	Average Math Score	
United States	424	478	43%				
Plains				Great Lakes			
Iowa	520	583	5	Illinois	475	541	15%
Kansas	494	548	9	Indiana	409	480	61
Minnesota	489	556	10	Michigan	469	528	11
Missouri	481	532	11	Ohio	454	505	22
Nebraska	479	544	10	Wisconsin	485	551	10
North Dakota	518	583	6				
South Dakota	502	558	6				

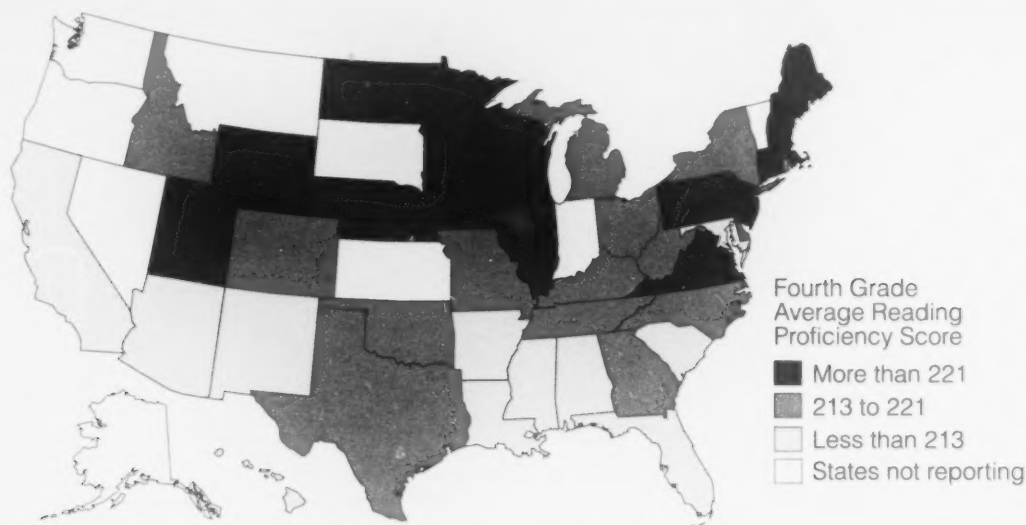
Note: Because the percent of students taking the SAT test varies significantly between states, rankings are invalid.

Source: Unpublished data, 1993. Minnesota Higher Education Coordinating Board.

- In 1993, Minnesota students scored 21.6 on the ACT college entrance exam, 4 percent better than the U.S. average score of 20.7.
- In contrast to the U.S. average scores, which declined, Minnesota's average SAT scores increased every year between 1990 and 1993.
- Minnesota students taking the preliminary scholastic aptitude test (PSAT) in 1992 had an average verbal score 5 percent higher than the U.S. average.

Table 7.5 Fourth Grade Reading Proficiency in Public Schools, 1992

Minnesota grade school students had high reading skills.



Rank	State	Average Proficiency	Rank	State	Average Proficiency	Rank	State	Average Proficiency
42-State Average		216						
1	New Hampshire	229	15	Illinois	222	29	Tennessee	213
2	Maine	228	16	Oklahoma	221	30	North Carolina	213
3	Iowa	227	17	Idaho	221	31	New Mexico	212
4	North Dakota	227	18	Missouri	221	32	Maryland	212
5	Massachusetts	227	19	Ohio	219	33	Arkansas	212
6	Wisconsin	225	20	Rhode Island	218	34	South Carolina	211
7	New Jersey	224	21	Colorado	218	35	Arizona	210
8	Wyoming	224	22	West Virginia	217	36	Florida	209
9	Connecticut	223	23	Michigan	217	37	Alabama	208
10	Virginia	222	24	New York	216	38	Louisiana	205
11	Utah	222	25	Delaware	214	39	Hawaii	204
12	Pennsylvania	222	26	Texas	214	40	California	203
13	Nebraska	222	27	Kentucky	214	41	Mississippi	200
14	Minnesota	222	28	Georgia	213	42	District of Columbia	189

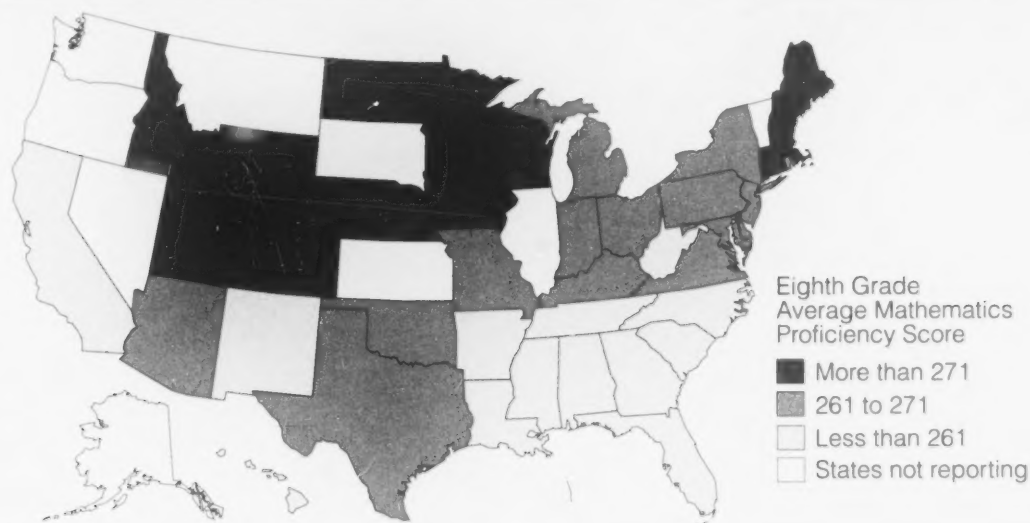
Note: These scores are statistically derived and confidence intervals are used to infer the above scores. Some states did not satisfy the guidelines for sample participation.

Source: NAEP 1992 Reading Report Card for the Nation and the States, 1993, U.S. Department of Education, Office of Educational Research and Improvement.

- Minnesota's average reading proficiency score of 222 was 3 percent higher than the 42-state average of 216 in 1992.
- Minnesota had a lower percentage of students with below basic reading skills than all but six states.
- Only five states had a higher percentage of students at or above the advanced reading level (as defined by the NAEP 1992 Reading Report Card) than Minnesota.
- Students in only three states reported a higher frequency of leisure reading than Minnesota students.

Table 7.6 Eighth Grade Average Mathematics Proficiency in Public Schools, 1992

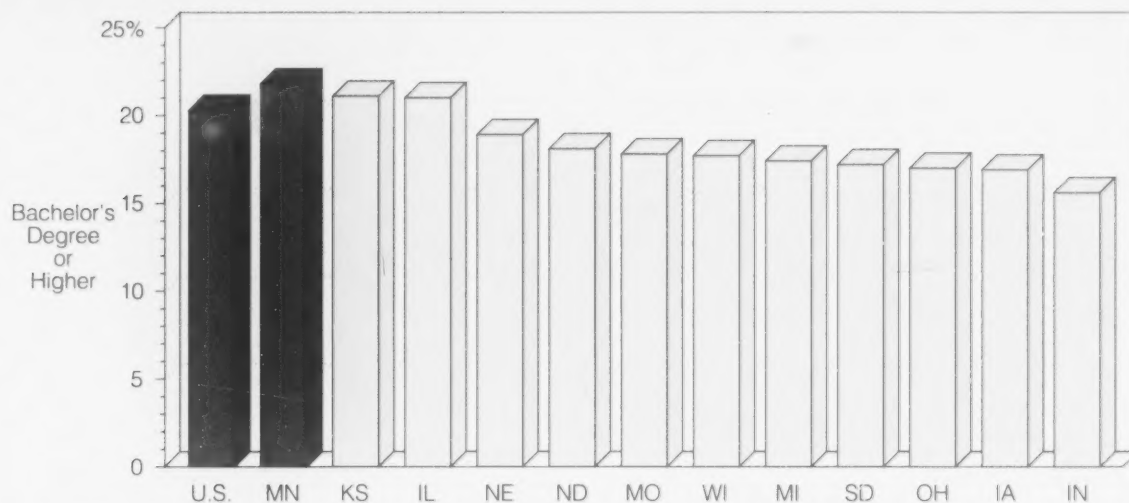
Minnesota students had among the nation's best math skills.



Rank	State	Average Proficiency	Rank	State	Average Proficiency	Rank	State	Average Proficiency
42-State Average 268								
1	North Dakota	283	15	Pennsylvania	271	29	California	260
2	Iowa	283	16	Missouri	270	30	South Carolina	260
3	Minnesota	282	17	Indiana	269	31	Florida	259
4	Maine	278	18	Ohio	267	32	New Mexico	259
5	New Hampshire	278	19	Oklahoma	267	33	Georgia	259
6	Wisconsin	277	20	Virginia	267	34	West Virginia	258
7	Nebraska	277	21	Michigan	267	35	Tennessee	258
8	Idaho	274	22	New York	266	36	North Carolina	258
9	Wyoming	274	23	Rhode Island	265	37	Hawaii	257
10	Utah	274	24	Arizona	265	38	Arkansas	255
11	Connecticut	273	25	Maryland	264	39	Alabama	251
12	Massachusetts	272	26	Texas	264	40	Louisiana	249
13	Colorado	272	27	Delaware	262	41	Mississippi	246
14	New Jersey	271	28	Kentucky	261	42	District of Columbia	234

Note: These scores are statistically derived and confidence intervals are used to infer the above scores. Some states did not satisfy the guidelines for sample participation.
Source: Executive Summary of the NAEP 1992 Mathematics Report Card for the Nation and the States, 1993, U.S. Department of Education, Office of Educational Research and Improvement.

- Nearly 80 percent of Minnesota's eighth graders had at least basic math skills in 1992 compared to the U.S. average of 68 percent. Only two states had a higher percentage of students with these skills.
- Minnesota eighth graders scored among the best in the world on the math proficiency test. Among the nations that took the test, only Taiwan (285) and South Korea (283) had better average scores than Minnesota (282).
- Minnesota had a higher percentage of eighth graders with advanced math skills than any other state.
- Minnesota's fourth graders ranked sixth among the 42 states that administered the mathematics proficiency testing for that grade.
- According to *State Indicators of Science and Mathematics Education 1993*, published by the Council of Chief State School Officers, a higher percentage of Minnesota high school students take Algebra 1, Algebra 2, Geometry and Trigonometry than the U.S. average. A higher percentage of students in the state also take advanced mathematics courses such as calculus.

Table 7.7 Education Attainment Levels, 1990*Minnesota's population is well educated.*

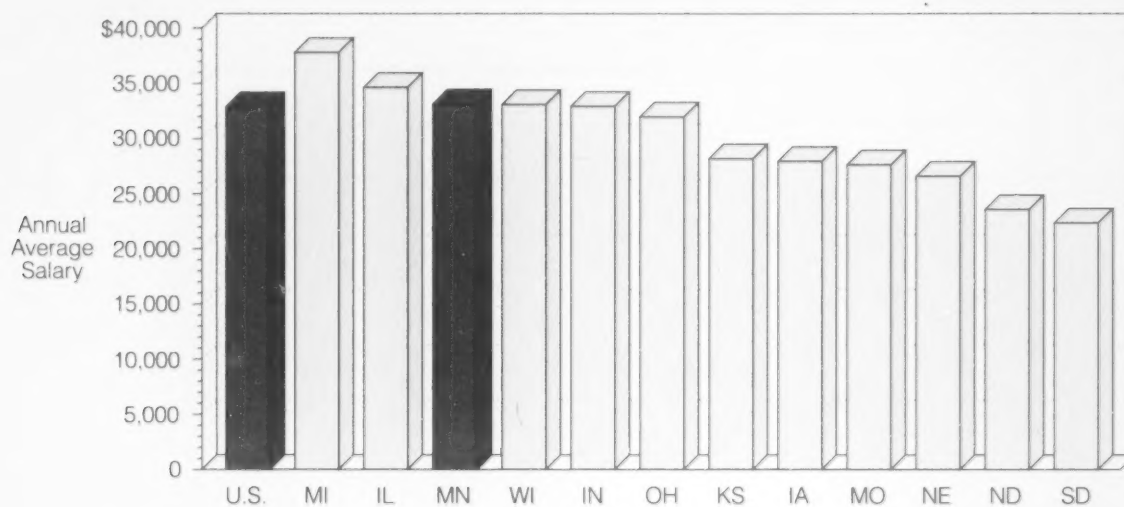
Percentage of Population Aged 25 and Older with:				
States and Regions	High School Degree	U.S. Rank	Bachelor's Degree or Higher	U.S. Rank
United States	75.2%	-	20.3%	-
Plains	78.9	-	19.2	-
Iowa	80.1	14	16.9	39
Kansas	81.3	10	21.1	19
Minnesota	82.4	6	21.8	16
Missouri	73.9	37	17.8	33
Nebraska	81.8	8	18.9	27
North Dakota	76.7	26	18.1	31
South Dakota	77.1	24	17.2	37
Great Lakes	76.4	-	18.1	-
Illinois	76.2	29	21.0	20
Indiana	75.6	31	15.6	45
Michigan	76.8	25	17.4	36
Ohio	75.7	30	17.0	38
Wisconsin	78.6	21	17.7	34

Source: 1990 Census of Population, U.S. Department of Commerce, Bureau of the Census.

- In 1990, the percentage of Minnesotans aged 25 or older with at least a bachelor's degree was 21.8 percent, highest of the 12 Midwestern states.
- Minnesota ranked sixth in the U.S. in the percentage of its population with a high school degree in 1990. Only five states in the nation had a higher percentage of high school graduates.

Table 7.8 **Average Teacher Salaries, 1990-91 School Year**

Minnesota's annual average salary for teachers was slightly higher than the national average.



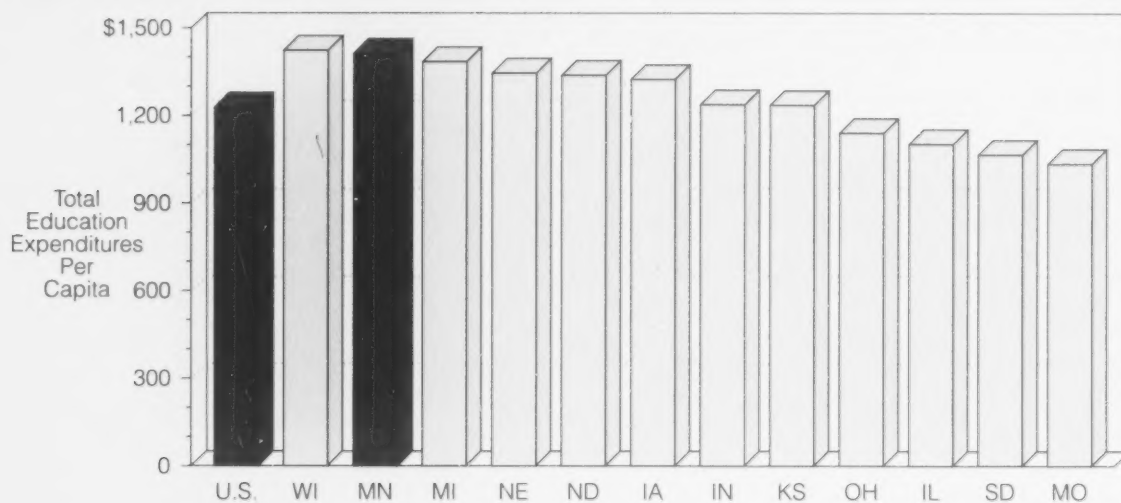
States and Regions	Average Teacher Salary	U.S. Rank	States and Regions	Average Teacher Salary	U.S. Rank
United States	\$32,880	-			
Plains			Great Lakes		
Iowa	27,949	37	Illinois	\$34,642	14
Kansas	28,188	34	Indiana	32,931	19
Minnesota	33,128	16	Michigan	37,800	9
Missouri	27,636	38	Ohio	31,964	22
Nebraska	26,592	40	Wisconsin	33,077	17
North Dakota	23,574	50			
South Dakota	22,363	51			

Source: *Digest of Education Statistics, 1992*, U.S. Department of Education, National Center for Education Statistics.

- For the 1990-91 school year, Minnesota's annual average school teacher salary was \$33,128, third highest in the Midwest region and slightly higher than the national average.
- Minnesota's annual average salary for school teachers ranked sixteenth nationally.

Table 7.9 Per Capita State and Local Expenditures on Education, Fiscal Year 1991

Minnesota ranked second highest in per capita state and local education expenditures in the Midwest region.



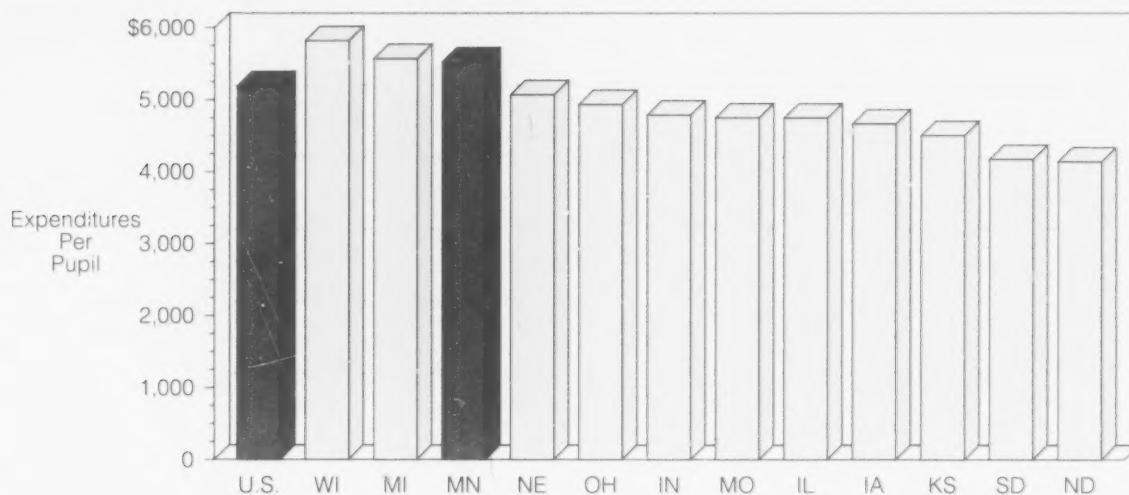
States and Regions	Total Education Expenditures			Higher Education Expenditures		
	Per Capita	U.S. Rank	Percent of U.S. Average	Per Capita	U.S. Rank	Percent of U.S. Average
United States	\$1,227	-	100%	\$312	-	100%
Plains						
Iowa	1,323	16	108	450	6	144
Kansas	1,235	26	101	391	17	125
Minnesota	1,412	8	115	385	18	123
Missouri	1,035	47	84	239	43	77
Nebraska	1,345	11	110	409	11	131
North Dakota	1,337	13	109	509	2	163
South Dakota	1,063	43	87	244	42	78
Great Lakes						
Illinois	1,101	39	90	284	34	91
Indiana	1,237	25	101	370	20	119
Michigan	1,386	9	113	404	12	129
Ohio	1,140	33	93	291	31	93
Wisconsin	1,423	6	116	412	9	132

Source: Government Finances: 1990-91, 1994, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's total education expenditures per capita in fiscal year 1991 were 15 percent higher than the national average; per capita expenditures on higher education were 23 percent higher.
- Minnesota ranked second in the Midwest in per capita total education expenditures.
- Minnesota devoted 27 percent of its per capita education expenditures to higher education.
- Between 1988 and 1991, Minnesota state and local per capita education expenditures increased 20 percent.

Table 7.10 Per Pupil State and Local Expenditures for Elementary and Secondary Education, Fiscal Year 1991

Minnesota schools ranked third in the Midwest region in per pupil state expenditures.



States and Regions	Expenditures Per Pupil	U.S. Rank	Percent of U.S. Average
United States	\$5,191	-	100%
Plains			
Iowa	4,665	32	90
Kansas	4,502	36	87
Minnesota	5,522	18	106
Missouri	4,748	30	91
Nebraska	5,069	24	98
North Dakota	4,136	41	80
South Dakota	4,145	40	80
Great Lakes			
Illinois	4,746	31	91
Indiana	4,786	27	92
Michigan	5,569	16	107
Ohio	4,934	25	95
Wisconsin	5,819	9	112

Source: Government Finances: 1990-91, 1994, U.S. Department of Commerce, Bureau of the Census.
Digest of Education Statistics, 1992, U.S. Department of Education, National Center for Education Statistics. (Data includes only students in public schools.)

- Between the 1989-90 and 1990-91 school years, Minnesota's per pupil state and local education expenditures for elementary and secondary education increased by 4 percent, reaching more than \$4.2 billion in fiscal year 1991.
- Minnesota ranked third in the Midwest and eighteenth nationally in per pupil state and local expenditures in fiscal year 1991.
- Expenditures per pupil were 6 percent higher in Minnesota than in the U.S.

Table 7.11 Selected Programs Offered at Minnesota Technical and Community Colleges, 1993-94 School Year

Minnesota's 34 technical colleges and 21 community colleges offered a variety of educational programs.

Selected Programs	Number of Schools with		Selected Programs	Number of Schools with	
	1992	Program Graduates		1992	Program Graduates
Accounting and Computer Support			Manufacturing and Related Careers		
Accountant	27	343	Automated Machinery Systems: Packaging	1	10
Accounting Clerk	28	131	Automated Manufacturing Technology	1	11
Bookkeeping Clerk	28	84	Fluid Power Technology	4	48
Accounting, Bookkeeping and Related (cc)	15	164	Industrial Machinery Technology	2	16
Accounting Microcomputer Specialist	26	121	Machine Shop	19	278
Office Information Processing Specialist	3	26	Maintenance Mechanics	1	16
Microcomputer Support Specialist	1	15	Mechanical Drafting	18	175
Business Microcomputing	13	77	Robotics, Robotics Technician Careers	3	33
Computer Operator	10	26	Tool, Die, and Moldmaking	5	30
Computer Programmer	11	78	Welding Technology	22	158
Electronics and Related Careers			Marketing Sales and Management		
Automated Systems Maintenance	1	21	Business Admin. and Management Careers (cc)	9	255
Bio-Medical Equipment Technology	5	18	Business and Personal Services Marketing (cc)	8	54
Electrical Design Drafting	2	19	Business Management and Ownership	3	14
Electronics Technology	18	194	Freight Transportation/Physical Distribution	2	10
Instrumentation Technology	2	19	Marketing Management	6	66
Media and Communications			Sales Management	11	48
Commercial Art	8	119	Small Business Management (cc)	4	44
Electronic Publishing/Information Specialist	3	34			
Graphic Arts	13	180			
Printing Technologies	2	160			

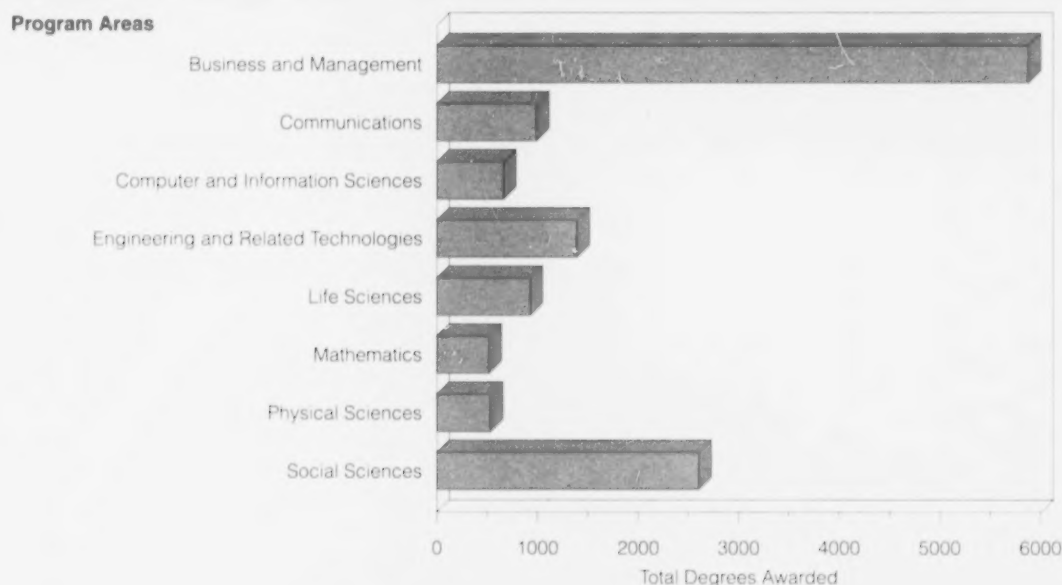
Note: Community college programs are denoted by "(cc)". All other programs are technical college programs.

Source: Unpublished data, 1994, Minnesota Technical College System;
Unpublished data, 1994, Minnesota Community College System.

- In 1992, students enrolled in Minnesota's technical and community colleges numbered about 48,000 and 56,000, respectively.
- Zenger-Miller Inc., an international management firm, has formed a partnership with the Minnesota Technical College System to customize training for individual organizations.
- Minnesota's community college system offers more than 100 programs and the technical college system offers more than 300 programs.
- More than 18,000 students graduated from Minnesota's technical and community colleges in 1992.
- Minnesota's technical colleges offer a variety of services to help businesses become more competitive. These services include technical training, quality initiative training, consulting services, and individual and organization needs/skills assessments.

Table 7.12 Number of Bachelor's and Graduate Degrees Granted by Minnesota Colleges and Universities, 1990

Minnesota's four-year colleges and universities award nearly 28,000 degrees annually.



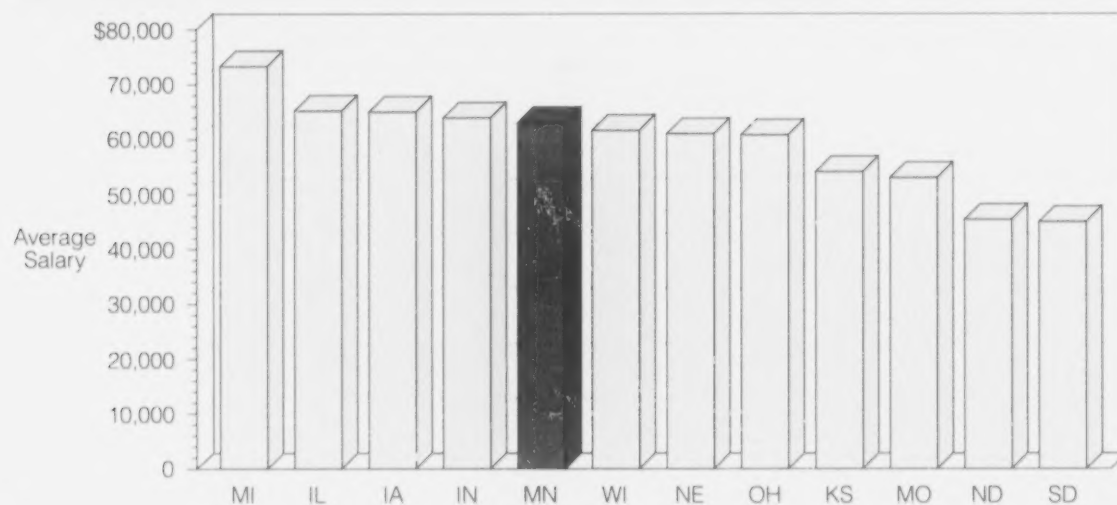
Program Area	Bachelor's Degrees Awarded	Master's Degrees Awarded	Doctorate Degrees Awarded	Total Degrees Awarded
Business and Management	4,705	1,160	17	5,882
Communications	948	36	8	992
Computer and Information Sciences	546	103	15	664
Engineering and Related Technologies	1,058	245	93	1,396
Life Sciences	792	69	68	929
Mathematics	450	50	21	521
Physical Sciences	435	50	49	534
Social Sciences	2,523	44	42	2,609
Other	11,412	2,613	342	14,367
Total	22,869	4,370	655	27,894

Source: Unpublished data, 1994, Minnesota Higher Education Coordinating Board.
The Gourman Report: A Rating of Graduate and Professional Programs in American and International Universities, 1993, National Education Standards.

- During the 1992 school year, Minnesota's seven state universities, twenty-four private colleges and four University of Minnesota campuses enrolled about 160,000 students.
- The University of Minnesota networks with business and reported that, as of September 1993, it had 222 product and technology licensing agreements with 179 companies.
- *The Gourman Report* ranked the University of Minnesota's undergraduate and graduate degree programs tenth and fourteenth, respectively, among all U.S. institutions.
- According to the University of Minnesota, it ranked among the top six universities in the number of patents received between 1986 and 1992.
- Graduates of the University of Minnesota's Institute of Technology have founded more than 1,000 companies, including Fortune 500 companies such as Control Data, Medtronic and Cray Computer.

Table 7.13 Average Salary of Full Professors at Flagship State Universities, 1991-92 Academic Year

Minnesota ranked fifth highest in the Midwest in average salary for full professors.



States and Regions	Average Salary	U.S. Rank
Plains		
Iowa	\$65,000	15
Kansas	54,100	40
Minnesota	63,000	19
Missouri	53,000	43
Nebraska	61,000	24
North Dakota	45,400	48
South Dakota	45,000	49
Great Lakes		
Illinois	65,200	13
Indiana	63,900	17
Michigan	73,300	3
Ohio	60,800	25
Wisconsin	61,600	22

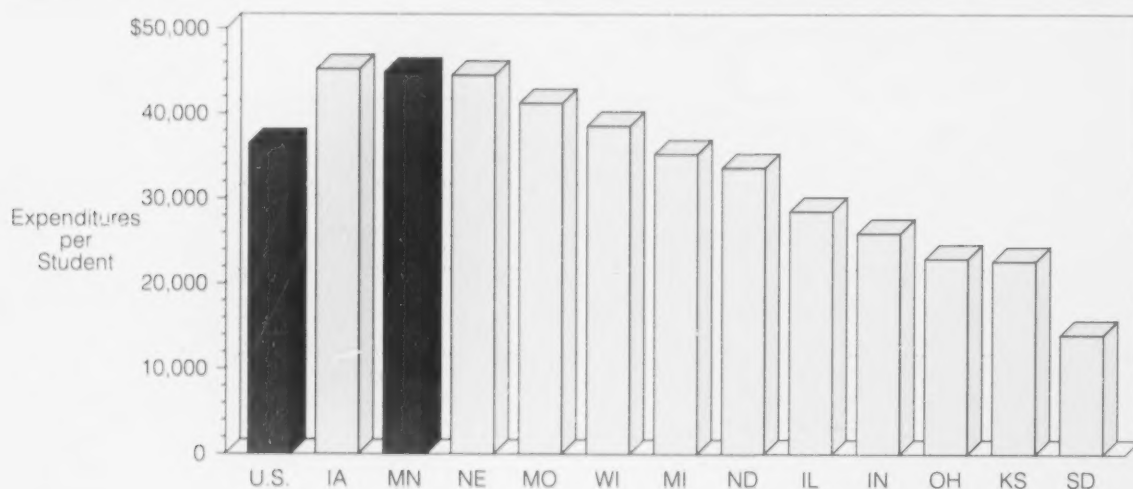
Note: A "flagship" state university is the main campus of a major state university.
U.S. data not available.

Source: *States in Profile, The State Policy Reference Book 1992*, State Policy Research.

- In the 1991-92 academic year, the average salary of a full professor at the University of Minnesota's Twin Cities campus was \$63,000, second highest in the Plains region and fifth highest in the Midwest.
- The University of Minnesota's average salary increased about 7.7 percent between the 1989-90 and 1991-92 academic years.

Table 7.14 R&D Expenditures Per Science, Engineering and Health Student at Doctorate-Granting Institutions, 1991

Minnesota's research and development expenditures per student ranked second highest in the Midwest region.



States and Regions	Total Expenditures (thousands)	Expenditures Per Science, Engineering and Health Student	U.S. Rank
United States	\$17,327,920	\$36,427	-
Plains			
Iowa	259,437	45,198	11
Kansas	124,174	22,668	47
Minnesota	331,471	44,805	12
Missouri	305,780	41,205	17
Nebraska	123,711	44,484	13
North Dakota	30,816	33,642	32
South Dakota	15,959	14,011	50
Great Lakes			
Illinois	701,620	28,533	40
Indiana	262,508	25,963	43
Michigan	601,189	35,250	29
Ohio	503,725	22,955	46
Wisconsin	387,621	38,539	21

Source: Academic Science and Engineering: R & D Expenditures, Fiscal Year 1991, 1993, National Science Foundation.
Selected Data on Graduate Students and Postdoctorates in Science and Engineering: Fall 1991, 1992, National Science Foundation.

- In 1991, the University of Minnesota (Minnesota's doctorate-granting university) spent \$331 million for research and development.
- The National Science Foundation found that among all institutions, the University of Minnesota ranked third nationally in total R&D expenditures in 1991. Only Johns Hopkins University and the University of Michigan had higher levels of expenditures.
- Minnesota ranked second in the Midwest and twelfth nationally in R&D expenditures per science, engineering and health student.
- According to the National Science Foundation, funding for the University of Minnesota's R&D expenditures comes from a variety of sources: Federal Government (50 percent), institutional funds (18 percent), state and local governments (16 percent), industry (6 percent), and miscellaneous sources (10 percent).

Capital Resources 8

Minnesota continues to have some of the strongest commercial banks and most abundant financial resources available in the nation. This is reflected in the high level of domestic deposits, above average commercial bank loan-to-deposit ratio, and high percentage of commercial/industrial loans to total loans. In 1992, Minnesota commercial banks had a return on average assets that was 39 percent above the national average. In addition, Minnesota was one of the top ten states in venture capital resources per capita that year. Minnesota also offers numerous public programs that augment commercial business financing.

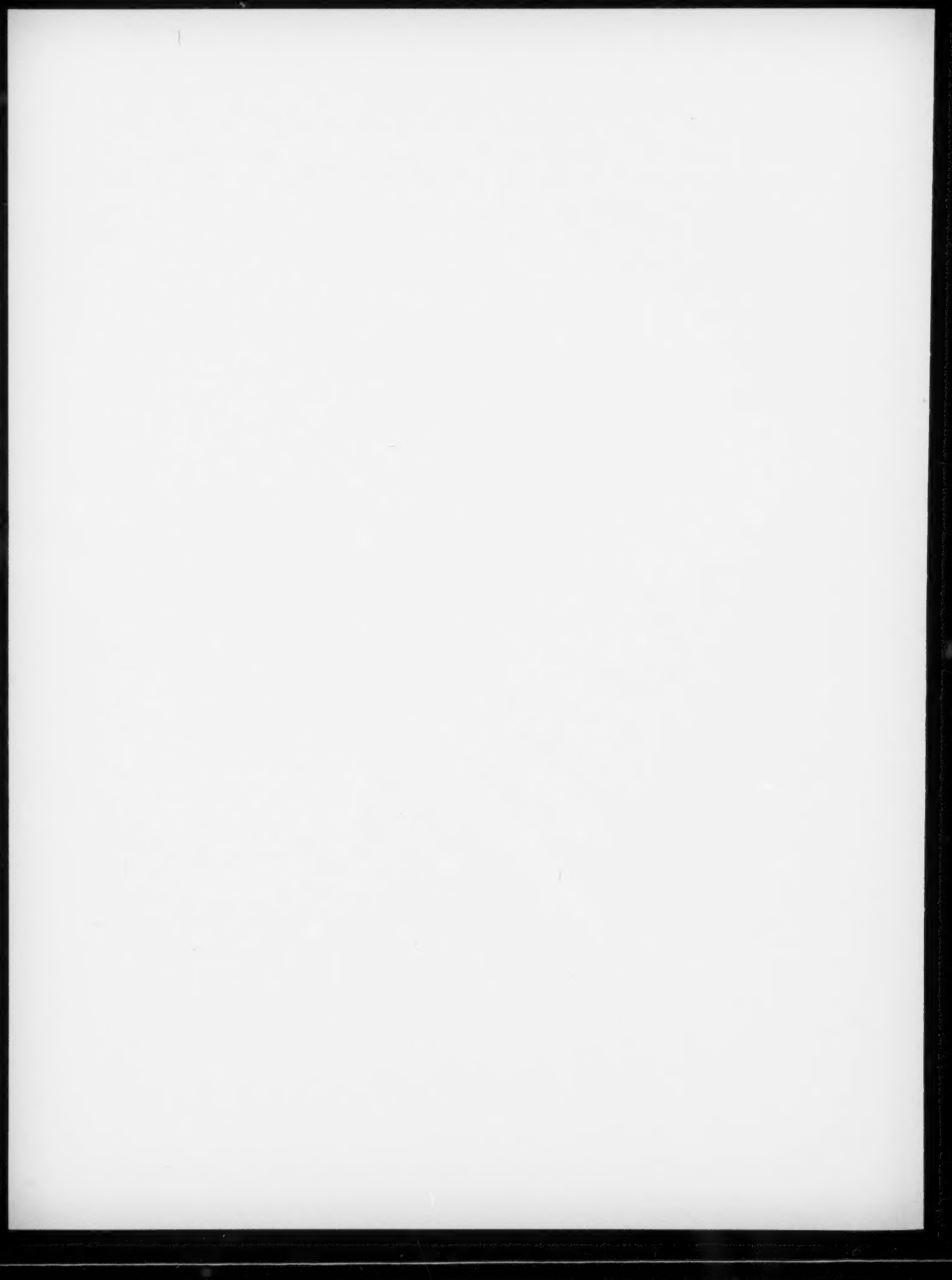
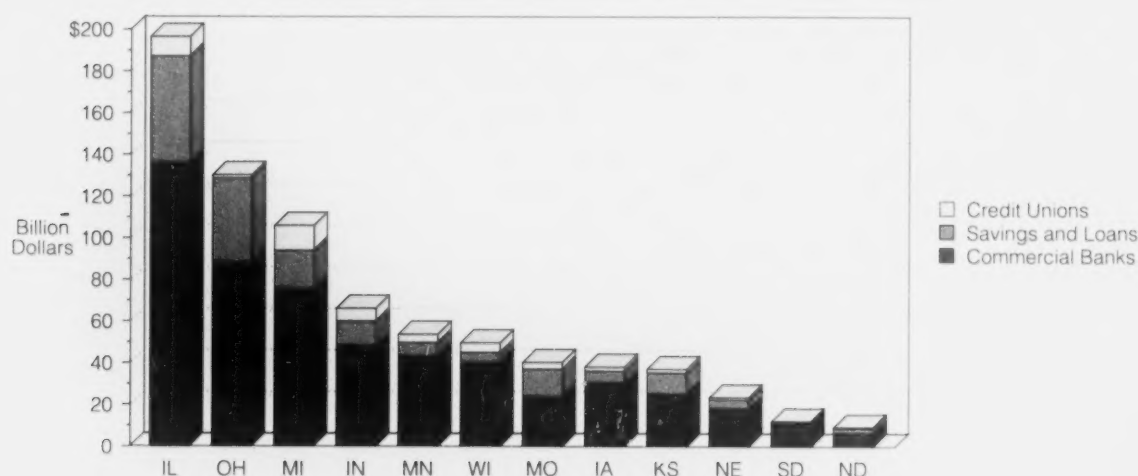


Table 8.1 Domestic Deposits by Type of Financial Institution, 1992

Minnesota had the highest level of commercial bank deposits of the Plains states.



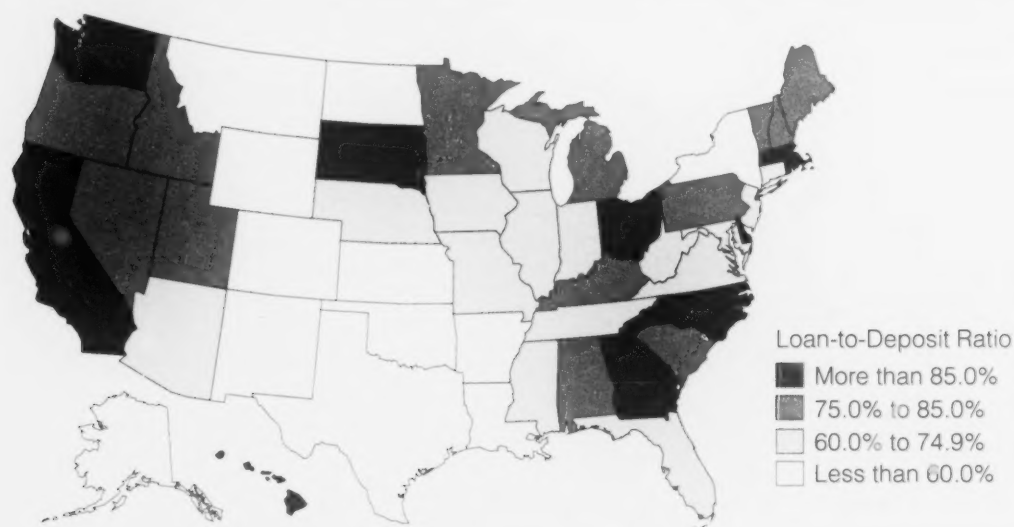
States and Regions	Commercial Banks (billions)	Savings and Loans (billions)	Credit Unions (billions)	Total (billions)	National Rank
United States	\$2,548.4	\$682.5	\$243.6	\$3,474.5	-
Midwest	549.9	166.8	46.3	763.0	-
Plains					
Iowa	30.6	5.5	2.0	38.1	26
Kansas	25.4	9.9	1.8	37.1	27
Minnesota	43.5	6.4	3.9	53.8	18
Missouri	24.1	13.0	3.2	40.3	24
Nebraska	18.3	4.1	1.1	23.5	34
North Dakota	6.6	2.2	0.5	9.3	46
South Dakota	11.1	0.5	0.5	12.1	45
Great Lakes					
Illinois	136.5	50.8	9.3	196.6	3
Indiana	48.5	11.7	6.0	66.2	14
Michigan	76.0	18.1	11.9	106.0	10
Ohio	88.8	40.0	1.5	130.3	8
Wisconsin	40.5	4.6	4.6	49.7	20

Source: FDIC Data Book, 1993, Federal Deposit Insurance Corporation.
Credit Union Report, 1993, Credit Union National Association, Inc.
Unpublished data, September 1993, U.S. Department of the Treasury, Office of Thrift Supervision.

- Financial institutions in Minnesota had \$54 billion in deposits in 1992, highest of the Plains states and fifth highest in the Midwest.
- Only 12 percent of all deposits in Minnesota were in savings and loans institutions, compared to 20 percent in the United States and 22 percent in the Midwest.
- Eighty-one percent of all deposits in Minnesota were in commercial banks, compared with 72 percent in the Midwest and 73 percent nationwide.
- Credit unions held approximately 7 percent of all deposits in both Minnesota and the United States.

Table 8.2 Commercial Bank Loan-to-Deposit Ratio, 1992

Minnesota's commercial bank loan-to-deposit ratio was higher than the national average.



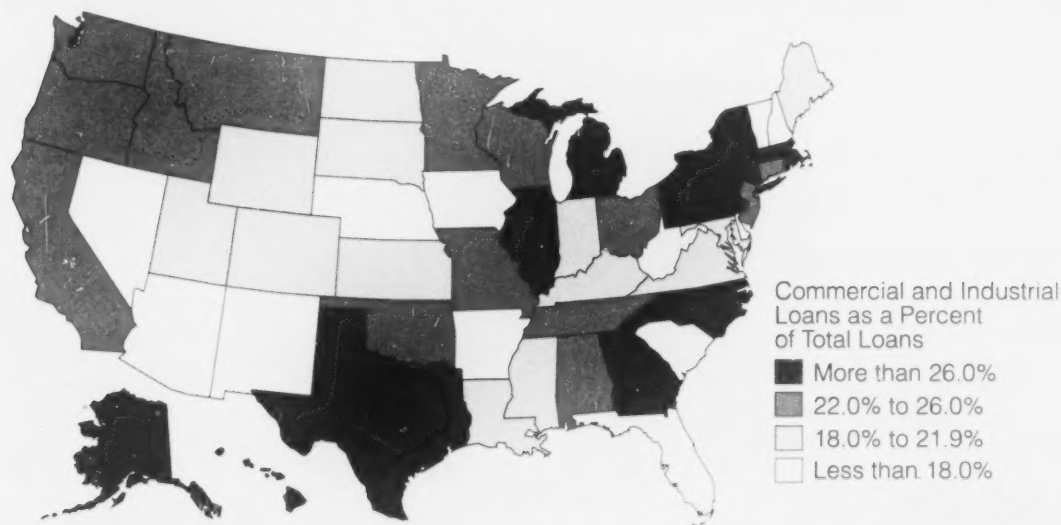
Rank	State	Loan-to-Deposit Ratio	Rank	State	Loan-to-Deposit Ratio	Rank	State	Loan-to-Deposit Ratio
	United States	75.8%	18	Minnesota	79.4%	35	Missouri	64.4%
1	Delaware	196.1	19	Utah	79.1	36	West Virginia	63.3
2	Hawaii	103.5	20	Nevada	77.9	37	Mississippi	60.6
3	South Dakota	98.3	21	Pennsylvania	77.6	38	Iowa	60.0
4	North Carolina	96.8	22	Alabama	77.1	39	Alaska	59.7
5	Rhode Island	92.3	23	Kentucky	75.1	40	Montana	58.2
6	California	92.0	24	Indiana	74.8	41	District of Columbia	58.0
7	Massachusetts	89.8	25	Illinois	74.4	42	New Mexico	57.2
8	Ohio	89.0	26	Wisconsin	74.3	43	Kansas	56.8
9	Georgia	87.2	27	Maryland	74.1	44	New York	56.4
10	Washington	86.4	28	Connecticut	71.4	45	Texas	54.9
11	Oregon	84.5	29	Virginia	70.5	46	Arkansas	54.1
12	New Hampshire	83.3	30	Florida	67.7	47	Wyoming	53.2
13	Idaho	83.3	31	Arizona	67.5	48	North Dakota	52.3
14	Vermont	81.9	32	Nebraska	66.2	49	Colorado	51.4
15	Michigan	81.8	33	New Jersey	66.1	50	Oklahoma	51.3
16	South Carolina	81.2	34	Tennessee	65.5	51	Louisiana	49.0
17	Maine	80.5						

Source: FDIC Statistics on Banking, 1993, Federal Deposit Insurance Corporation.

- The loan-to deposit ratio indicates the use of deposits in funding loans. A low ratio may signify weak loan demand or conservative lending policy.
- The presence of nationwide bank credit card operations could affect the loan-to-deposit ratio in a state.
- Of the Midwestern states, Minnesota had the fourth highest loan-to-deposit ratio in 1992.
- On average, commercial banks in Minnesota had loans that were 79.4 percent of deposits. This was slightly higher than the national average of 75.8 percent.

Table 8.3 Commercial and Industrial Loans as a Percent of Total Loans, 1992.

Commercial banks in Minnesota had the fourth highest percentage of commercial and industrial loans in the Midwest.



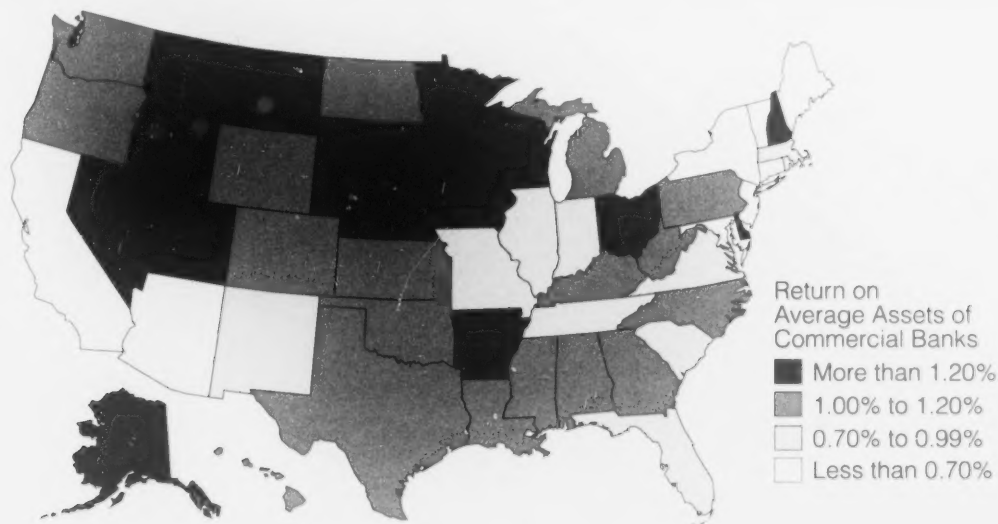
Commercial and Industrial Loans as a Percent of Total Loans			Commercial and Industrial Loans as a Percent of Total Loans			Commercial and Industrial Loans as a Percent of Total Loans		
Rank	State		Rank	State		Rank	State	
	United States	26.4%	18	Alabama	23.5%	35	Mississippi	19.8%
1	New York	37.7	19	Montana	23.1	36	Kentucky	19.8
2	Massachusetts	37.3	20	Minnesota	23.1	37	South Dakota	18.9
3	Rhode Island	35.3	21	Oklahoma	22.9	38	Utah	18.6
4	Alaska	33.8	22	Tennessee	22.7	39	Maryland	18.4
5	Illinois	33.5	23	Missouri	22.7	40	Arkansas	17.7
6	Texas	30.9	24	Idaho	22.3	41	Iowa	17.5
7	Michigan	29.5	25	Ohio	22.2	42	South Carolina	17.2
8	Pennsylvania	29.4	26	New Jersey	22.0	43	New Mexico	17.1
9	North Carolina	28.2	27	Wyoming	21.8	44	Nebraska	16.4
10	Hawaii	26.9	28	Louisiana	21.7	45	Vermont	15.6
11	Georgia	26.9	29	Maine	21.3	46	West Virginia	14.8
12	Washington	25.7	30	Kansas	20.9	47	Florida	13.9
13	Oregon	25.6	31	North Dakota	20.5	48	Arizona	13.2
14	Connecticut	25.3	32	Indiana	20.5	49	New Hampshire	11.3
15	California	25.1	33	Virginia	20.3	50	Nevada	10.4
16	Wisconsin	25.0	34	Colorado	20.3	51	Delaware	8.8
17	District of Columbia	24.2						

Source: FDIC Statistics on Banking, 1993, Federal Deposit Insurance Corporation.

- Commercial and industrial loans as a percent of total loans is an indicator of the availability of capital for businesses in a state.
- In 1992, Minnesota had the fourth highest commercial and industrial loans as a percent of total loans in the Midwest, and the highest percentage among the Plains states.

Table 8.4 Return on Average Assets of Commercial Banks, 1992

The return on average assets of commercial banks in Minnesota was 39 percent higher than the national average.



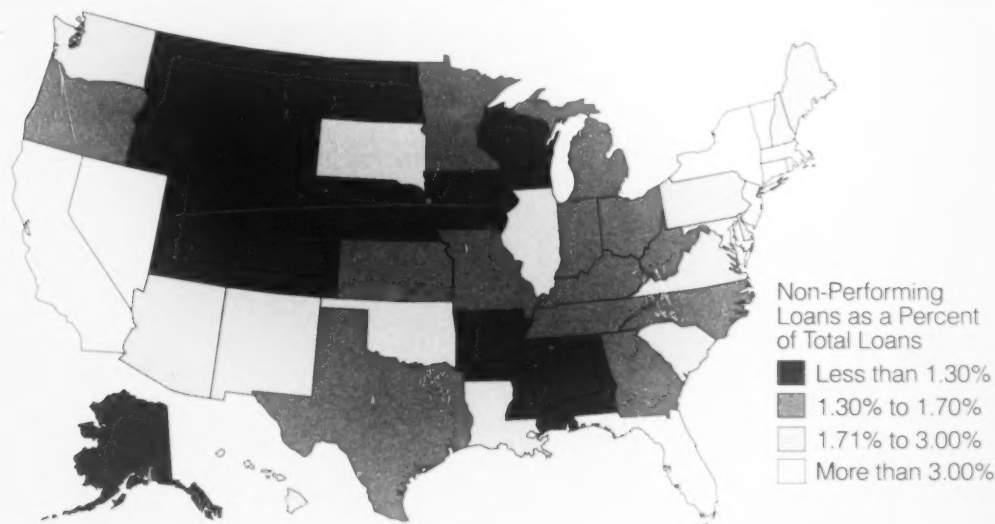
Rank	State	Return on Average Assets	Rank	State	Return on Average Assets	Rank	State	Return on Average Assets
	United States	0.92%	18	Washington	1.16%	35	Indiana	0.96%
1	South Dakota	2.97	19	West Virginia	1.14	36	Rhode Island	0.92
2	Nevada	2.70	20	Oklahoma	1.11	37	New Mexico	0.87
3	Delaware	2.31	21	North Dakota	1.10	38	Massachusetts	0.82
4	Alaska	1.62	22	Hawaii	1.10	39	Florida	0.82
5	Utah	1.49	23	Louisiana	1.10	40	South Carolina	0.79
6	New Hampshire	1.47	24	Colorado	1.09	41	Illinois	0.72
7	Ohio	1.36	25	Mississippi	1.09	42	Virginia	0.70
8	Nebraska	1.33	26	Texas	1.07	43	New York	0.68
9	Arkansas	1.29	27	Pennsylvania	1.03	44	Maryland	0.63
10	Minnesota	1.28	28	Wyoming	1.03	45	California	0.59
11	Montana	1.27	29	North Carolina	1.03	46	New Jersey	0.56
12	Idaho	1.22	30	Michigan	1.02	47	Maine	0.55
13	Iowa	1.22	31	Kentucky	1.00	48	Vermont	0.52
14	Wisconsin	1.21	32	Kansas	1.00	49	Arizona	0.32
15	Oregon	1.20	33	Tennessee	0.99	50	Connecticut	-0.01
16	Alabama	1.20	34	Missouri	0.97	51	District of Columbia	-0.07
17	Georgia	1.19						

Source: FDIC Statistics on Banking, 1993, Federal Deposit Insurance Corporation.

- Return on average assets, which is the earnings generated on all assets of the bank, is a good indicator of earnings efficiency and shows whether bank management has achieved a favorable return.
- Minnesota ranked fourth in the Midwest and tenth in the nation in commercial bank return on average assets in 1992.
- The return on average assets of commercial banks in Minnesota was 39 percent above the national average.

Table 8.5 Non-Performing Commercial Bank Loans as a Percent of Total Loans, 1992

The percentage of non-performing loans to total loans in Minnesota was less than half the national average.



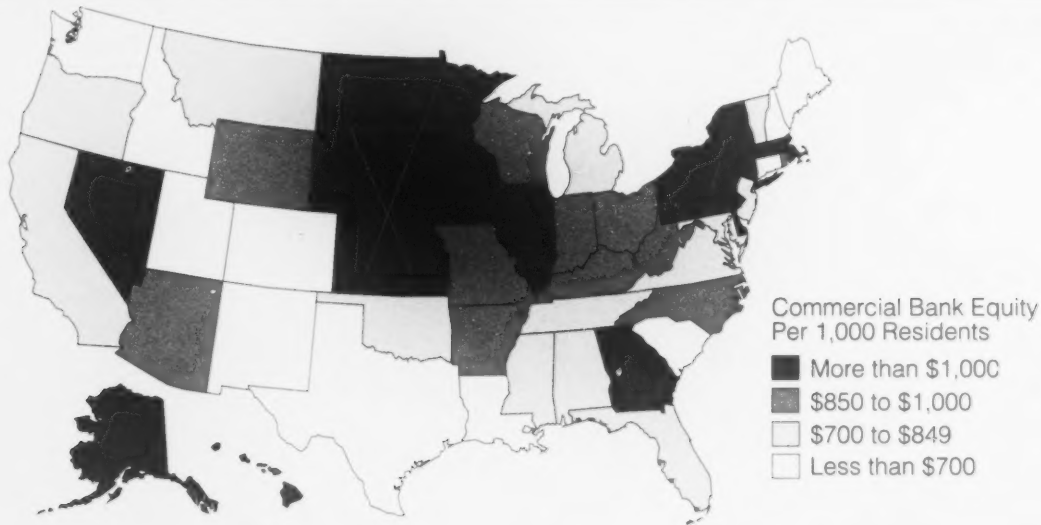
Rank	State	Non-Performing Loans as a Percent of Total Loans	Rank	State	Non-Performing Loans as a Percent of Total Loans	Rank	State	Non-Performing Loans as a Percent of Total Loans
	United States	3.07%	18	Georgia	1.43%	35	Illinois	2.28%
1	Idaho	0.83	19	Michigan	1.44	36	Maine	2.40
2	Iowa	0.89	20	Tennessee	1.44	37	Virginia	2.69
3	Alabama	0.94	21	Kansas	1.47	38	South Dakota	2.80
4	Nebraska	1.02	22	Ohio	1.50	39	Arizona	2.81
5	Wisconsin	1.06	23	Indiana	1.51	40	Louisiana	2.93
6	North Dakota	1.12	24	Missouri	1.59	41	Massachusetts	3.06
7	Mississippi	1.14	25	Oregon	1.66	42	Vermont	3.12
8	Alaska	1.16	26	Texas	1.66	43	Florida	3.35
9	Arkansas	1.16	27	Delaware	1.75	44	Maryland	3.47
10	Colorado	1.22	28	Oklahoma	1.77	45	Rhode Island	3.63
11	Utah	1.23	29	New Hampshire	1.78	46	Nevada	3.77
12	Wyoming	1.24	30	Hawaii	2.02	47	Connecticut	4.30
13	Montana	1.28	31	New Mexico	2.08	48	California	4.62
14	Minnesota	1.30	32	South Carolina	2.12	49	New Jersey	5.06
15	West Virginia	1.30	33	Pennsylvania	2.22	50	New York	6.00
16	North Carolina	1.34	34	Washington	2.28	51	District of Columbia	9.51
17	Kentucky	1.43						

Source: FDIC Statistics on Banking, 1993, Federal Deposit Insurance Corporation.

- Non-performing loans are loans and leases that are at least 90 days past due, and those placed in non-accrual status.
- With only 1.3 percent of total loans as non-performing loans, Minnesota ranked fifth in the Midwest and fourteenth in the nation in 1992.
- A low percentage of non-performing commercial bank loans is a good indicator of a healthy loan portfolio. If a bank has a high percentage of non-performing loans, it will need to write off loans and add to the reserves for bad loans.

Table 8.6 Commercial Bank Equity Capital, 1992

Minnesota commercial bank equity capital per capita was above the national average.



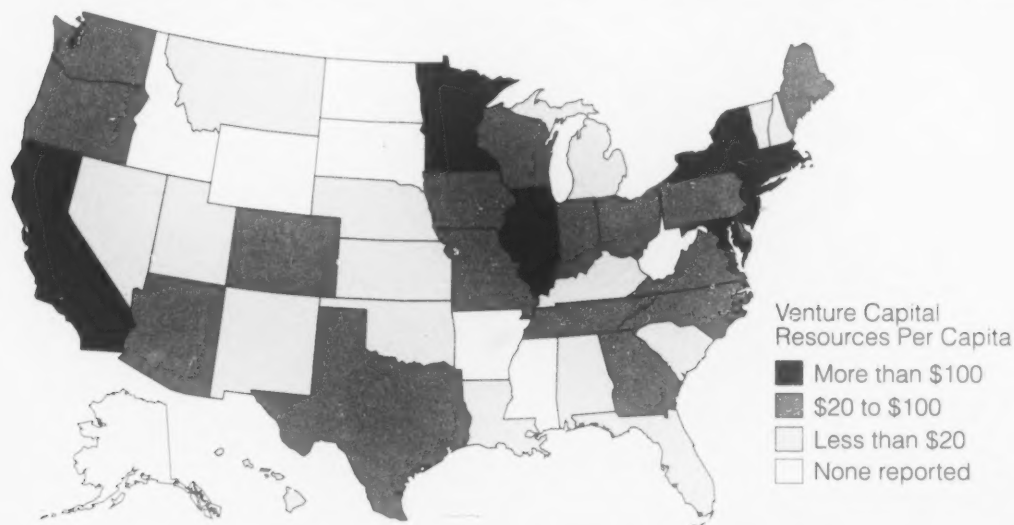
Rank	State	Commercial Bank Equity Per 1,000 Residents	Commercial Bank Equity Capital (millions)	Rank	State	Commercial Bank Equity Per 1,000 Residents	Commercial Bank Equity Capital (millions)
	United States	\$ 1,032.9	\$263,560	26	Arizona	\$865.5	\$3,317
1	Delaware	11,471.0	7,906	27	Wisconsin	864.7	4,329
2	South Dakota	2,889.7	2,055	28	New Jersey	848.5	6,609
3	New York	2,490.9	45,133	29	Alabama	846.7	3,502
4	District of Columbia	1,741.4	1,025	30	California	842.8	26,016
5	Hawaii	1,382.4	1,603	31	Virginia	806.9	5,146
6	Illinois	1,342.0	15,609	32	Oklahoma	802.3	2,577
7	Nebraska	1,195.8	1,920	33	Montana	801.3	660
8	Iowa	1,164.5	3,275	34	Maryland	799.6	3,925
9	Nevada	1,155.7	1,534	35	Tennessee	799.4	4,016
10	Pennsylvania	1,122.5	13,481	36	Florida	782.7	10,557
11	Minnesota	1,074.3	4,813	37	Oregon	773.8	2,304
12	North Dakota	1,072.5	682	38	Michigan	771.0	7,276
13	Massachusetts	1,039.6	6,236	39	Vermont	747.7	426
14	Georgia	1,034.5	6,984	40	Mississippi	727.9	1,903
15	Alaska	1,029.2	604	41	Washington	698.4	3,586
16	Kansas	1,010.5	2,549	42	Utah	693.8	1,251
17	Kentucky	988.9	3,713	43	Idaho	688.7	735
18	Missouri	985.8	5,119	44	Louisiana	680.6	2,986
19	Rhode Island	981.0	986	45	Texas	678.0	11,971
20	Wyoming	976.0	455	46	Connecticut	659.6	2,164
21	West Virginia	971.8	1,761	47	Colorado	630.8	2,189
22	Arkansas	910.9	2,185	48	New Mexico	600.8	950
23	Indiana	889.3	5,035	49	South Carolina	558.4	2,012
24	Ohio	883.6	9,734	50	New Hampshire	517.6	575
25	North Carolina	870.3	5,955	51	Maine	513.2	634

Source: FDIC Statistics on Banking, 1993, Federal Deposit Insurance Corporation

- Bank equity capital is measured by subtracting liabilities from assets. It is the sum of stockholder's investment plus undivided profits.
- Minnesota's per capita equity capital was approximately 4 percent above the national average in 1992.
- Minnesota banks have high levels of owners' equity. In 1992, Minnesota ranked eleventh in the nation and fifth in the Midwest in per capita total equity capital at commercial banks.

Table 8.7 Venture Capital Resources Per Capita, 1992

Minnesota was among the top ten states in venture capital resources per capita.



Rank	State	Venture Capital Resources Per Capita	Rank	State	Venture Capital Resources Per Capita	Rank	State	Venture Capital Resources Per Capita
1	Massachusetts	\$718.56	18	Indiana	\$36.02	35	Kansas	\$5.95
2	Connecticut	460.34	19	Iowa	35.83	36	New Mexico	5.88
3	New York	409.38	20	Oregon	30.56	37	Kentucky	5.73
4	California	269.37	21	Arizona	29.49	38	Nebraska	4.98
5	District of Columbia	222.96	22	Georgia	28.57	39	Louisiana	3.94
6	Illinois	201.55	23	Virginia	21.85	40	Alabama	2.66
7	New Jersey	178.18	24	Delaware	21.76	41	Vermont	2.63
8	Maryland	175.58	25	Missouri	21.41	42	Michigan	1.80
9	Minnesota	108.80	26	Maine	20.75	43	Hawaii	1.55
10	Rhode Island	103.77	27	North Carolina	20.28	44	Alaska	NR
11	Colorado	66.57	28	Oklahoma	17.69	45	Arkansas	NR
12	Wisconsin	50.83	29	New Hampshire	11.16	46	Idaho	NR
13	Washington	48.22	30	Montana	9.83	47	Mississippi	NR
14	Texas	48.04	31	South Carolina	9.57	48	North Dakota	NR
15	Ohio	43.69	32	Florida	8.72	49	South Dakota	NR
16	Pennsylvania	39.18	33	Nevada	8.66	50	West Virginia	NR
17	Tennessee	36.92	34	Utah	6.27	51	Wyoming	NR

Note: NR = none reported.

Source: Venture Capital Journal, 1993, Venture Economics.

- Venture capital is available through venture capital companies for high-risk start-up firms, usually for equity investments.
- Minnesota's ranking in the amount of venture capital funds per capita in 1992 was ninth in the United States and second, after Illinois, in the Midwest.

Table 8.8 Major Public Programs for Business Financing in Minnesota, Fiscal Year 1993

A variety of federal, state and local programs directly assist Minnesota businesses.

	Total Awards	Thousand Dollars
<i>Federal Programs</i>		
A. U.S. Small Business Administration (SBA)		
1. Guaranteed Loan Program	440	\$123,000
2. Direct Loans	5	194
3. Certified Development Company Loans or 504 Loan Program	135	45,900
4. Small Business Investment Companies (SBIC)	24	21,260
B. Farm Credit Service		
1. Short, intermediate and long-term loans to farmers and farm-related businesses	42,155	1,765,000
C. Farmer's Home Administration (FmHA)		
1. Business and Industry Loan Program	3	4,386
<i>State Programs</i>		
A. Minnesota Department of Trade and Economic Development		
1. Economic Development Program	30	5,517
2. Rural Development Board - Challenge Grant Program	310	8,309
3. Capital Access Program	51	2,178
4. Tourism Loan Program	60	1,860
5. Minnesota Enterprise Zone Program	249	546
6. Minnesota Export Finance Authority - Export Loan Guarantee Program	11	1,213
B. Minnesota Job Skills Partnership Board	15	1,608
C. Indian Business Loan Program	4	59
D. Agriculture Utilization Research Institute (AURI)	79	2,800
E. Minnesota Technology Equity Fund*	6	565

Local Programs

Various local governmental units at different levels provide some form of assistance to entrepreneurs. This assistance may be in the form of financial services, loan packaging and tax credits. One such program, tax increment financing (TIF), was used by more than 330 Minnesota cities and townships in 1992. In northeastern Minnesota, the Iron Range Resource and Rehabilitation Board (IRRRB) provides a variety of financial services. For further information contact the planning or business services unit of the county/municipality or township where the proposed business will be located.

* Fiscal Year 1994.

Note: Fiscal years of listed agencies do not cover the same periods.

Source: *A Guide to Starting Business in Minnesota*, September 1993, Minnesota Department of Trade and Economic Development.
Resource Minnesota, October 1993, Minnesota Department of Trade and Economic Development.

Personal correspondence with officials at the Minnesota Indian Affairs Council, U.S. Small Business Administration, Farm Credit Service, and Farmers Home Administration.

- Financial assistance in Minnesota is available to businesses and communities through a variety of federal, state and local government grant programs.
- In addition to the public financing programs, there are 20 offices of venture capital firms in the state that provide equity capital to emerging and growth-oriented businesses with high market potential.
- In 1993, the U.S. Small Business Administration offices located in Minnesota issued 135 certified development company loans totaling \$45.9 million. This created both the highest number of loans and the highest dollar amount to be approved in the United States that year.
- Minnesota has six regional initiative funds for Greater Minnesota and an Urban Initiative Fund to assist economic development in the Twin Cities metropolitan area. The funds loan money to new or expanding businesses.
- Financial assistance is available through loan guarantees, low interest loans, gap and incentive financing, and business tax credits. Financial resources are designed to stimulate business growth and expansion through development, acquisition and construction.

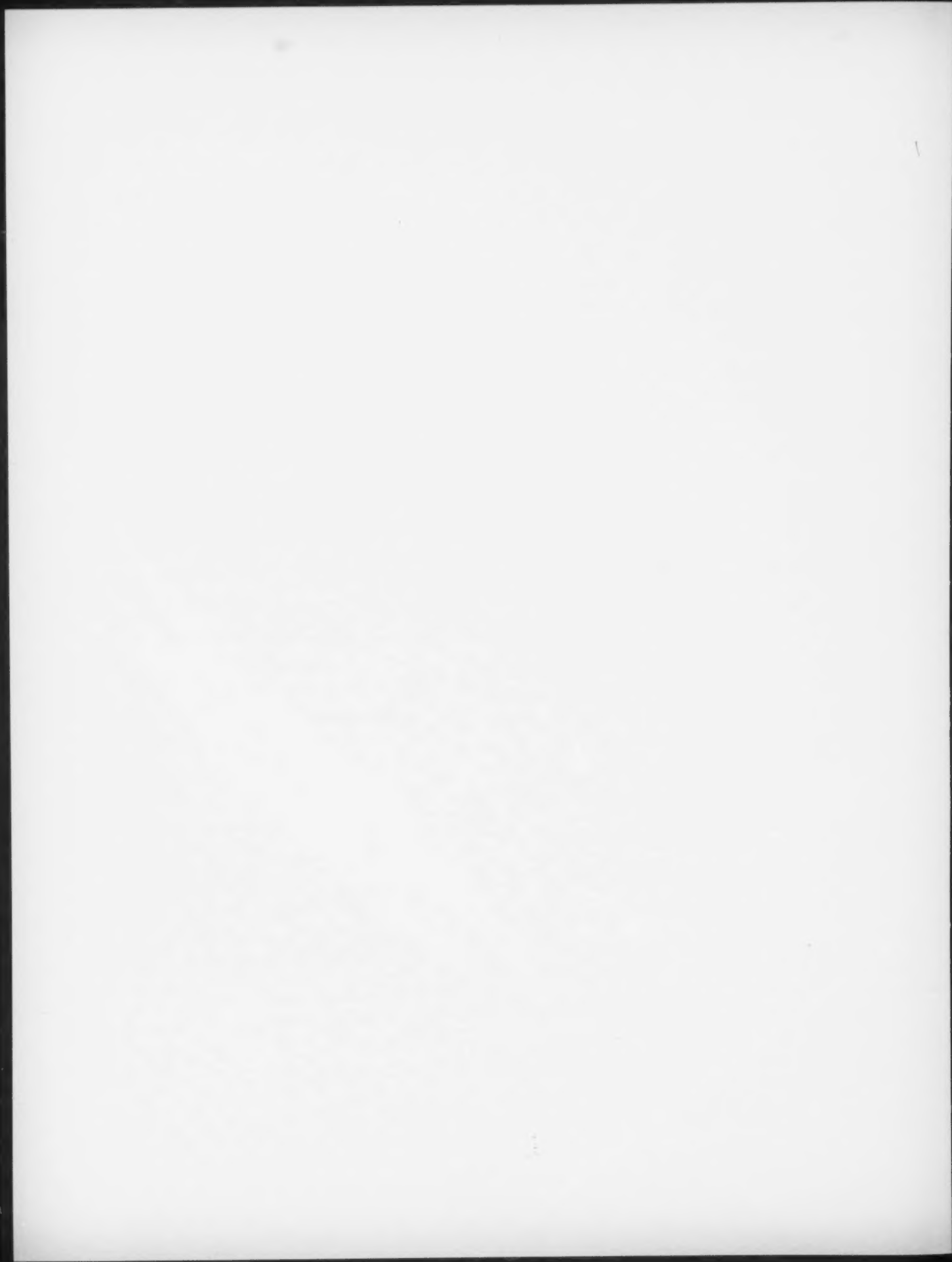
Table 8.9 Business Incentive Programs Available in Minnesota and Total Number of States with Similar Programs, 1992

Minnesota offered a variety of business incentive programs.

<i>Business Incentive Programs in Minnesota</i>	<i>Total Number of States with Similar Programs</i>
Financial Assistance for Industry	
State-sponsored Industrial Development Authority	40
Privately-sponsored Development Credit Corporation	39
State Authority or Agency Revenue Bond Financing	44
State Authority or Agency General Obligation Bond Financing	20
State Loans for Building Construction	40
State Loans for Equipment and Machinery	42
State Financing Aid for Existing Plant Expansion	44
State Matching Funds for Local Industrial Financing Programs	26
Incentives for Establishing Plant in Areas of High Unemployment	41
Tax Incentives for Industry	
Excise Tax Exemption	23
Tax Exemption or Moratorium on Land and Capital Improvements	36
Tax Exemption or Moratorium on Equipment and Machinery	41
Inventory Tax Exemption on Goods in Transit	49
Tax Exemption on Manufacturer's Inventories	46
Sales/Use Tax Exemption on New Equipment	47
Tax Exemption on Raw Materials Used in Manufacturing	49
Tax Incentive for Creation of Jobs	44
Tax Stabilization Agreements for Specified Industries	7
Tax Exemption to Encourage Research and Development	34
Accelerated Depreciation of Industrial Equipment	40
Special Services for Industrial Development	
City/County-financed Speculative Building	14
Free Land for Industry Provided by Cities and Counties	32
City/County-owned Industrial Park Sites	49
State Funds for Local Development-related Public Works Projects	49
State Funds for City/County Master Plans	38
State Funds for City/County Recreational Projects	43
State Funds for Private Recreational Projects	19
State Program to Promote Research and Development	49
State Program to Increase Exports of Products	50
University R & D Facilities Available to Industry	50
State and/or University Feasibility Studies to Attract or Assist New Industry	49
State-supported Training of "Hard-Core" Unemployed	49
State Incentive to Industry to Train "Hard-Core" Unemployed	43
State Help in Bidding on Federal Procurement Contracts	47
State Science and Technology Advisory Council	44
State Incentives for Pollution Control	
Accelerated Depreciation of Pollution Control Equipment	33
State Financing Program for Equipment Purchase and Installation	44

Source: *Site Selection and Industrial Development*, October 1993, Conway Data Inc.

- Four major incentive programs were offered to Minnesota businesses in 1992: financial assistance, tax incentives, special services for industrial development, and state incentives for pollution control. A total of 37 subprograms were available under these four major programs.
- All 50 states offered export assistance programs.



Transportation 9

Minnesota's location in the north central region of the United States and its efficient transportation systems allow for the convenient movement of passengers and cargo via air, water and surface transportation.

Minnesota businesses are well connected to markets in the United States and the rest of the world. In 1993, more than 500 flights departed Minneapolis-St. Paul International Airport daily to 140 United States cities and various international destinations. Ten major and seven commuter-regional airlines carried more than 23 million passengers through the international airport that year. The Twin Cities serves as a major hub and is home to Northwest Airlines Inc.

The condition of the state ground transportation system ranks with the best in the nation. Only 1 percent of Minnesota's urban interstate highway system was classified as in poor condition in 1992. These excellent roadways contributed to Minnesota having the ninth lowest fatality rate of all 50 states. Also, in 1990, Minneapolis-St. Paul had the lowest commuting time among the nation's 20 largest metropolitan areas.

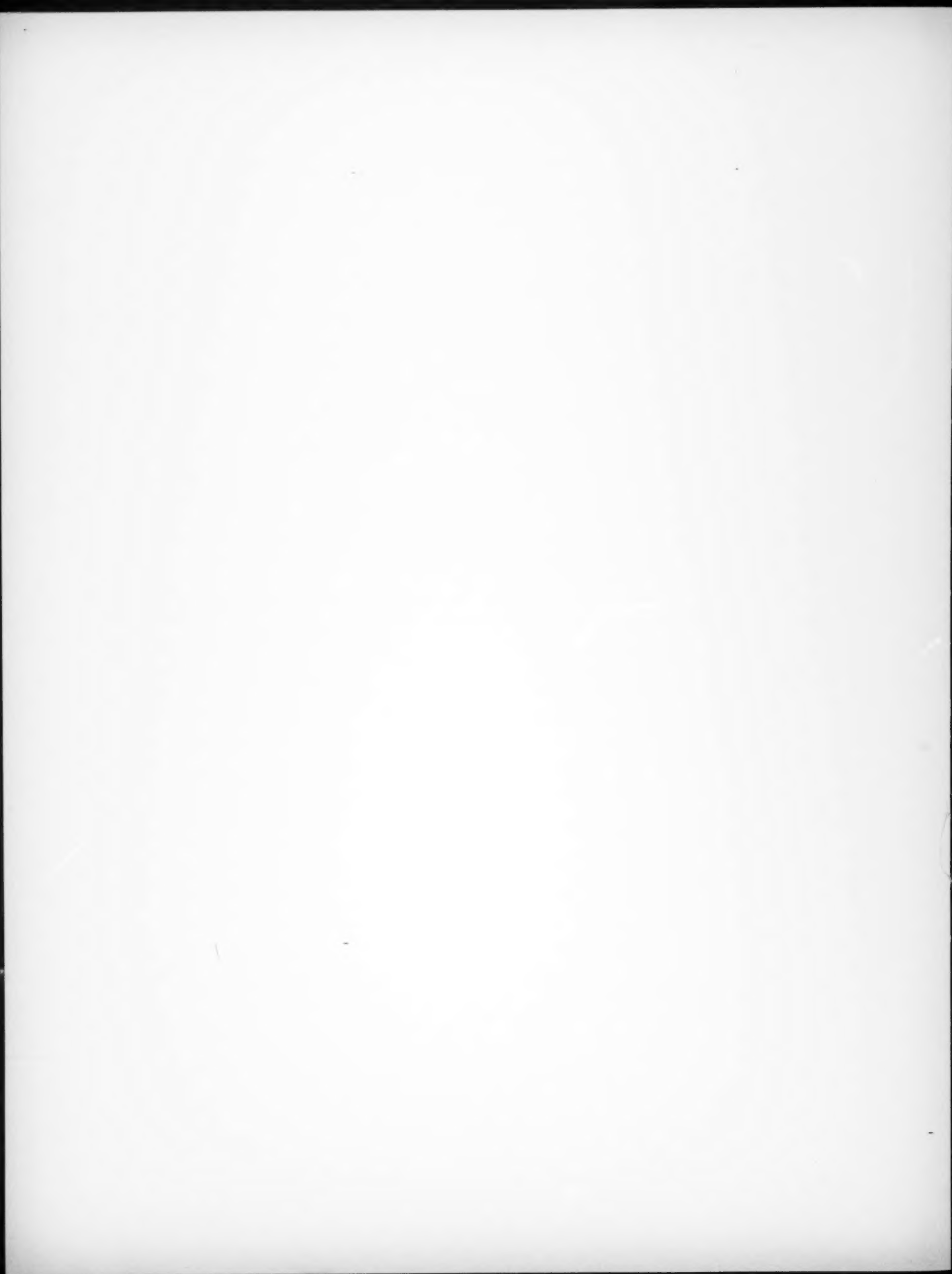


Table 9.1 Distance, Travel Time and Number of Flights to Selected Major Cities from the Twin Cities, 1993

Minnesota's central location facilitated business service to markets from coast to coast.



City	Road Distance (miles)	Road Time (hours)	Air Time (hours)	Number of Daily Flights		
				Non-Stop	One-Stop	Connect
Atlanta, GA	1,121	19	2:20	8	1	51
Boston, MA	1,390	23	2:40	7	3	78
Calgary, Alberta, Canada	1,222	23	4:00	0	0	8
Chicago, IL	410	7	1:10	47	0	6
Dallas, TX	949	16	2:20	12	0	26
Denver, CO	920	15	2:00	10	0	6
Detroit, MI	685	11	1:45	12	3	36
Edmonton, Alberta, Canada	1,405	26	3:00	3	0	2
Los Angeles, CA	1,857	31	3:50	9	4	102
Miami, FL	1,769	30	3:30	2	0	54
New Orleans, LA	1,346	22	4:10	1	3	41
New York, NY	1,217	20	2:30	20	4	189
Phoenix, AZ	1,677	28	3:10	7	2	24
Portland, OR	1,724	29	3:35	4	0	28
St. Louis, MO	630	11	1:30	11	0	18
San Francisco, CA	1,979	33	4:10	7	0	82
Seattle, WA	1,653	28	3:30	8	0	58
Toronto, Ontario, Canada	1,001	18	3:40	0	5	29
Washington, DC	1,090	18	2:20	6	0	74

Source: Official Airline Guides, Electronic Edition, July 1993. Official Airline Guide, Inc.
Road Atlas 1993, Rand McNally.

- The geographic location of Minnesota in the center of the country makes it an attractive place for businesses serving markets nationwide and in Canada. Access to the Minneapolis-St. Paul International Airport is quick and convenient — less than eight miles, or 15 minutes — from either downtown Minneapolis or St. Paul.
- Atlanta, Chicago, Denver and New York are all less than 2.5 hours from the Twin Cities by air, and in 1993, each was served by at least six daily non-stop flights.
- Direct flights are available to all of the major U.S. cities listed in the table. There are at least a half dozen daily non-stop flights available to 13 of the 19 selected major cities.
- Minneapolis-St. Paul can be reached in less than 35 hours by road from all urban centers in the contiguous 48 states and in less than 4.5 hours by air.
- In 1993, a total of 47 flights served the three Canadian cities listed in the table — Toronto, Edmonton and Calgary.

Table 9.2 Air Traffic at the 30 Busiest U.S. Airports, 1991

The Minneapolis-St. Paul airport was one of the nation's busiest airports.

City	Airport	Aircraft Departures (thousands)	Rank	Revenue Passengers Boarded* (thousands)	Rank	Revenue Freight Tons Enplaned** (thousands)	Rank
Atlanta, GA	William B. Hartsfield International	205.8	3	17,691.1	4	138.4	8
Boston, MA	Logan International	109.1	16	8,862.1	14	122.2	10
Charlotte, NC	Douglas Municipal	128.9	11	7,668.8	21	39.3	20
Chicago, IL	O'Hare International	328.9	1	25,872.2	1	286.9	2
Cincinnati, OH	Greater Cincinnati	69.6	26	4,314.5	29	19.7	26
Dallas-Ft. Worth, TX	Dallas-Ft. Worth International	268.6	2	22,656.4	2	138.9	7
Denver, CO	Stapleton International	151.4	7	12,313.7	6	73.9	12
Detroit, MI	Wayne County	132.0	10	9,618.3	9	51.5	17
Honolulu, HI	Honolulu International	87.6	23	8,772.3	15	131.5	9
Houston, TX	Houston Intercontinental	100.3	18	7,813.9	18	69.1	13
Las Vegas, NV	McCarran International	96.9	19	8,222.5	17	13.7	29
Los Angeles, CA	Los Angeles International	198.5	4	18,303.0	3	342.8	1
Miami, FL	Miami International	102.3	17	9,309.6	11	201.1	4
Mpls.-St. Paul, MN	Minneapolis-St. Paul International	115.6	15	8,862.8	13	58.6	14
New York, NY	La Guardia	127.9	12	9,737.5	8	161.2	6
New York, NY	JFK International	67.5	28	8,245.0	16	236.0	3
Newark, NJ	Newark	120.4	14	9,194.8	12	22.2	25
Orlando, FL	Orlando International	86.6	24	7,605.4	22	28.5	22
Philadelphia, PA	Philadelphia International	90.6	21	6,381.1	24	51.7	16
Phoenix, AZ	Phoenix Sky Harbor International	144.8	8	10,972.2	7	42.8	19
Pittsburgh, PA	Greater Pittsburgh	125.9	13	7,707.9	19	28.3	23
Raleigh-Durham, NC	Raleigh-Durham	63.1	29	4,309.6	30	15.9	28
Salt Lake City, UT	Salt Lake City International	160.1	6	9,351.6	10	47.5	18
San Diego, CA	San Diego International-Lindbergh	76.4	25	5,470.1	25	38.2	21
San Francisco, CA	San Francisco International	69.5	27	5,386.8	26	17.6	27
Seattle-Tacoma, WA	Seattle-Tacoma International	167.8	5	14,026.2	5	187.6	5
St. Louis, MO	Lambert-St. Louis Municipal	142.0	9	7,696.5	20	110.9	11
Tampa, FL	Tampa International	57.3	30	4,338.2	28	22.6	24
Washington, DC	Dulles International	93.1	20	4,709.4	27	52.8	15
Washington, DC	Washington National	90.4	22	6,631.3	23	7.4	30

* Revenue passengers are defined as passengers who purchase tickets.

** Revenue freight excludes U.S. mail.

Source: Airport Activity Statistics of Certified Route Carriers, 1991, U.S. Federal Aviation Administration, Research and Special Programs Administration.

- Minneapolis-St. Paul International Airport was ranked thirteenth in revenue passengers, fourteenth in commercial freight and fifteenth in aircraft departures in 1991.
- The Federal Aviation Administration designated Minneapolis-St. Paul as one of 28 large air traffic hubs in the United States. None of the states bordering Minnesota has a large airport hub.
- According to a 1991 study by the Minnesota Department of Transportation, approximately 87 percent of Minnesota's population was 55 miles or less from an airport with scheduled air service.
- Overall, the state currently has 138 public-use airports, 14 of which offer scheduled air service.

Table 9.3 Airport On-time Performance for the 30 Busiest U.S. Airports, 1992

Minneapolis-St. Paul International Airport had the fourth best on-time performance for both aircraft arrivals and departures.

City	Airport	On-Time Arrivals	Rank	On-Time Departures	Rank
Atlanta, GA	William B. Hartsfield International	77.9%	25	85.0%	23
Boston, MA	Logan International	75.0	28	83.6	26
Charlotte, NC	Douglas Municipal	84.0	9	83.8	25
Chicago, IL	O'Hare International	80.9	19	85.0	22
Cincinnati, OH	Greater Cincinnati	84.0	7	87.7	15
Dallas-Ft. Worth, TX	Dallas-Ft. Worth International	82.1	14	86.3	20
Denver, CO	Stapleton International	78.5	23	84.0	24
Detroit, MI	Wayne County	85.4	5	88.6	9
Honolulu, HI	Honolulu International	72.3	30	89.0	5
Houston, TX	Houston Intercontinental	82.1	15	87.6	16
Las Vegas, NV	McCarran International	87.4	2	90.3	2
Los Angeles, CA	Los Angeles International	79.0	22	86.5	19
Miami, FL	Miami International	80.9	17	88.3	12
Mpls.-St. Paul, MN	Minneapolis-St. Paul International	85.8	4	89.2	4
New York, NY	La Guardia	80.1	21	85.6	21
New York, NY	JFK International	75.1	27	80.9	30
Newark, NJ	Newark	73.3	29	82.6	28
Orlando, FL	Orlando International	82.3	12	88.3	13
Philadelphia, PA	Philadelphia International	78.3	24	83.5	27
Phoenix, AZ	Phoenix Sky Harbor International	88.5	1	88.9	6
Pittsburgh, PA	Greater Pittsburgh	77.5	26	81.0	29
Raleigh-Durham, NC	Raleigh-Durham	86.1	3	86.8	18
Salt Lake City, UT	Salt Lake City International	83.2	11	87.6	17
San Diego, CA	San Diego International-Lindbergh	84.0	8	89.6	3
San Francisco, CA	San Francisco International	80.9	18	88.5	10
Seattle-Tacoma, WA	Seattle-Tacoma International	80.7	20	88.8	8
St. Louis, MO	Lambert-St. Louis Municipal	84.9	6	88.0	14
Tampa, FL	Tampa International	81.9	16	91.2	1
Washington, DC	Dulles International	83.9	10	88.9	7
Washington, DC	Washington National	82.3	13	88.4	11
Average for 30 Airports		81.3	-	86.3	-

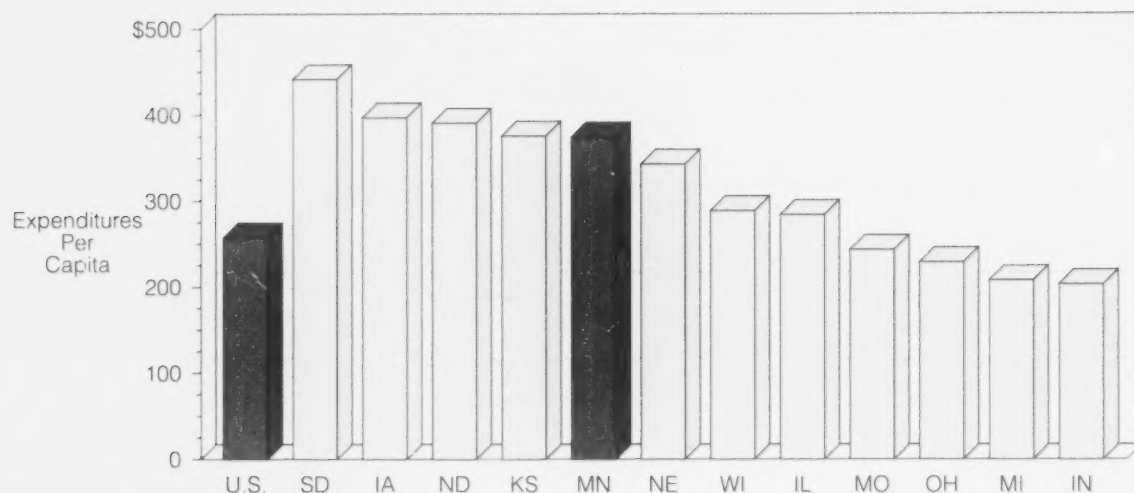
Note: "On-time" means an arrival or departure less than 15 minutes after scheduled arrival or departure time.

Source: *Air Travel Consumer Report*, monthly issues from March 1992 - July 1992 and September 1992 - February 1993 (June data, published in August 1992, was not available), U.S. Department of Transportation, Office of Consumer Affairs.

- In 1992, Minneapolis-St. Paul International Airport had the fourth best on-time performance for both arrivals and departures.
- Since 1986, Minneapolis-St. Paul International has closed for a total of 11 hours due to winter weather conditions, according to the Metropolitan Airports Commission (MAC).
- Planes using the Minneapolis-St. Paul International Airport in 1992, departed on time about 89 percent of the time and arrived on time about 86 percent of the time, which was 3 percent and 6 percent better, respectively, than the average for the 30 busiest U.S. airports.

Table 9.4 Per Capita State and Local Expenditures on Highways, Fiscal Year 1991

Minnesota ranked fifth in the Midwest in state and local highway expenditures per capita.



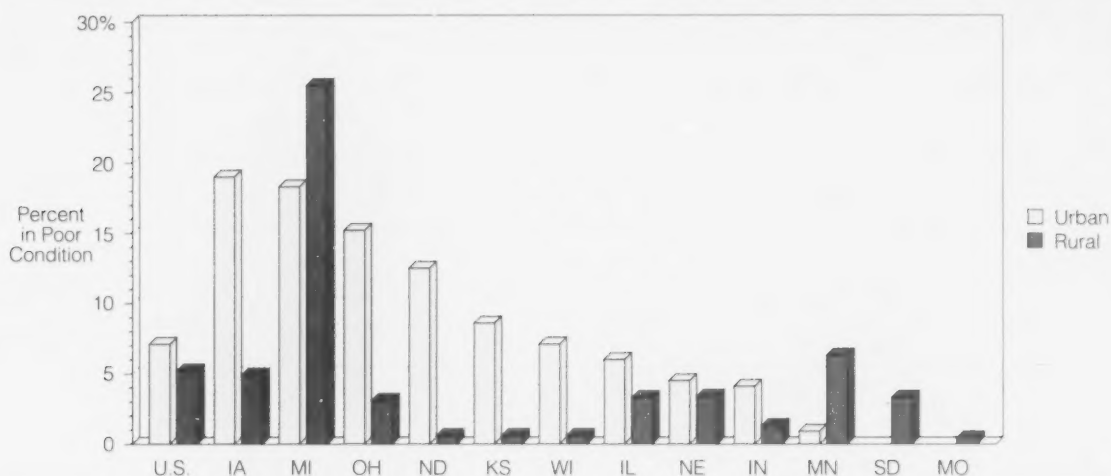
States and Regions	Expenditures Per Capita	U.S. Rank	States and Regions	Expenditures Per Capita	U.S. Rank
United States	\$257.50	-			
Plains			Great Lakes		
Iowa	397.04	7	Illinois	\$284.14	26
Kansas	375.72	10	Indiana	203.11	48
Minnesota	374.36	11	Michigan	207.85	47
Missouri	243.45	36	Ohio	228.95	42
Nebraska	342.97	12	Wisconsin	288.91	25
North Dakota	390.58	8			
South Dakota	441.54	3			

Source: Government Finances: 1990-91. U.S. Department of Commerce, Bureau of the Census.

- Minnesota's state and local per capita highway expenditures were 45 percent above the national average in 1991.
- According to the Minnesota Office of the State Auditor, Minnesota spent a total of \$15,812 per mile of highway in 1990. This was 25 percent above the Midwest average of \$12,698 and 15 percent below the national average of \$18,654. These expenditures included spending on capital outlays and maintenance.
- According to the Minnesota Department of Transportation, Minnesota spent about \$389 million on state road construction in fiscal year 1993, which funded both state (\$185 million) and federal (\$204 million) highway funds.
- Although Minnesota is the fourteenth largest state in land area, it has the fifth largest road system in the country. Overall, Minnesota has more than 129,000 miles of roadway.

Table 9.5 Percent of Interstate Pavement in Poor Condition, 1992

More than 95 percent of Minnesota's interstate was in fair to excellent condition.



States and Regions	Total Urban Interstate (miles)	Percent In Poor Condition	U.S. Rank	Total Rural Interstate (miles)	Percent In Poor Condition	U.S. Rank
United States	12,466	7.1%	-	33,027	5.2%	-
Plains						
Iowa	147	19.0	9	636	4.9	16
Kansas	174	8.6	17	698	0.6	37
Minnesota	231	0.9	41	682	6.3	13
Missouri	366	0.0	43	812	0.4	40
Nebraska	44	4.5	24	437	3.4	23
North Dakota	40	12.5	13	530	0.6	38
South Dakota	46	0.0	43	632	3.3	25
Great Lakes						
Illinois	553	6.0	20	1,500	3.3	24
Indiana	315	4.1	25	825	1.3	33
Michigan	498	18.3	10	742	25.5	2
Ohio	726	15.3	11	497	3.1	27
Wisconsin	141	7.1	18	516	0.6	35

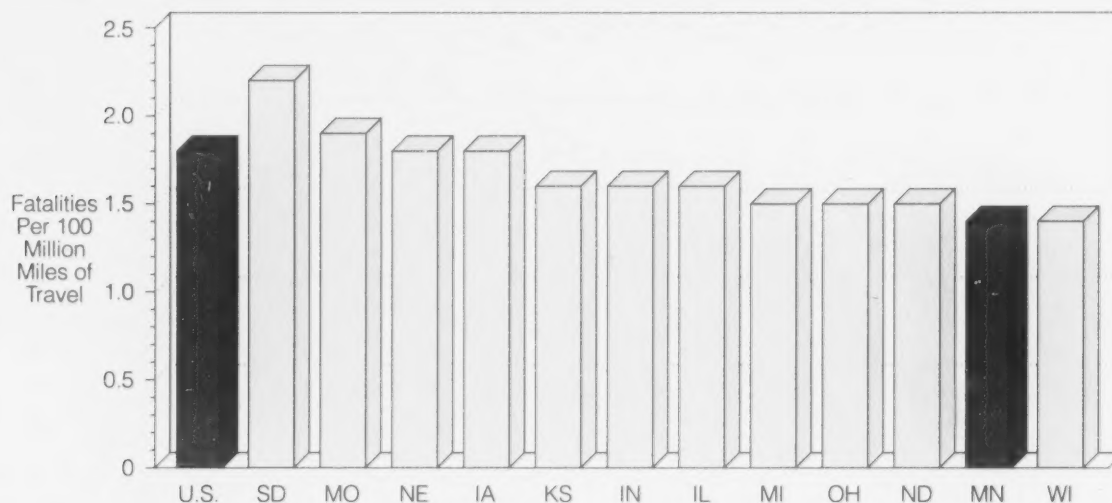
Note: Pavement condition is a numerical value ranging from zero to five. "Poor" condition indicates a score of 2.5 or less.

Source: 1992 Highway Statistics, 1994, U.S. Department of Transportation.

- In 1992, less than 1 percent (2 miles) of Minnesota urban interstate highway was in poor condition, well below the national average. Only ten states had a lower rate.
- About 1.1 percent of Minnesota's major roads (freeways, arterials and collectors) were in poor condition, compared with the national average of 7.2 percent.
- Less than 5 percent of total Minnesota interstate highway was in poor condition compared with the national average of 5.8 percent.
- According to the Federal Highway Administration, Minnesota had the seventh lowest percentage of bridges considered deficient in the U.S. in 1991. (Deficient includes structurally deficient as well as functionally deficient; e.g., bridge width is narrower than road width.)

Table 9.6 Traffic Injuries and Fatalities Per 100 Million Vehicle Miles, 1992

Minnesota's traffic injury and fatality rates were among the lowest in the nation.



States and Regions	Injuries per 100 Million Vehicle Miles of Travel	U.S. Rank	Fatalities per 100 Million Vehicle Miles of Travel	U.S. Rank
United States	154.0	-	1.8	-
Plains				
Iowa	121.9	34	1.8	23
Kansas	116.2	36	1.6	33
Minnesota	105.1	43	1.4	42
Missouri	63.8	51	1.9	21
Nebraska	152.0	19	1.8	22
North Dakota	84.4	49	1.5	41
South Dakota	108.2	40	2.2	14
Great Lakes				
Illinois	176.4	11	1.6	37
Indiana	101.0	44	1.6	36
Michigan	167.9	14	1.5	39
Ohio	186.0	7	1.5	40
Wisconsin	126.2	33	1.4	44

Source: 1992 Highway Statistics, 1994. U.S. Department of Transportation.

- In 1992, Minnesota's traffic fatalities per 100 million miles of travel was the second lowest in the Midwest and ninth lowest in the nation.
- Minnesota's traffic injuries per 100 million vehicle miles was the eighth lowest in the nation and fourth lowest in the Midwest.
- Minnesota's traffic injuries and fatalities were both more than 20 percent lower than the U.S. average in 1992.

Table 9.7 Travel Time to Work and Roadway Congestion Index for the 20 Largest Metropolitan Areas, 1990

The Twin Cities' uncongested roads allowed a short commute time.

Metropolitan Area	Average Travel Time to Work (minutes)	Rank	Roadway Congestion Index*	Rank
Baltimore, MD	26.0	15	1.01	5
Boston, MA	24.2	12	1.06	10
Chicago, IL	28.1	18	1.25	16
Cleveland, OH	22.0	3	0.97	3
Dallas, TX	24.1	11	1.05	9
Detroit, MI	23.4	8	1.09	11
Houston, TX	26.1	16	1.12	12
Los Angeles, CA	26.4	17	1.55	20
Miami, FL	24.1	9	1.26	17
Minneapolis-St. Paul, MN	21.1	1	0.93	2
New York, NY	30.6	20	1.14	13
Philadelphia, PA	24.1	10	1.05	8
Phoenix, AZ	23.0	6	1.03	6
Pittsburgh, PA	22.6	5	0.82	1
San Diego, CA	22.2	4	1.22	15
San Francisco-Oakland, CA	25.6	14	1.35	18
Seattle-Everett, WA	24.3	13	1.20	14
St. Louis, MO	23.1	7	0.99	4
Tampa, FL	21.8	2	1.05	7
Washington, D.C.	29.5	19	1.37	19

* Values of more than one indicate that congested conditions exist areawide.

Source: *Estimates of Urban Roadway Congestion-1990*, Texas A & M University, Texas Transportation Institute.
1990 Census of Population, U.S. Department of Commerce, Bureau of the Census.

- Of the nation's 20 largest metropolitan areas, Minneapolis-St. Paul had the lowest average commuting time and the second lowest urban roadway congestion index score in 1990.
- By 1996, the Minnesota Department of Transportation plans to have 200 closed circuit traffic surveillance cameras on Twin Cities highways to improve accident detection.
- The Minnesota Department of Transportation currently uses in-pavement traffic sensors to monitor Twin Cities highway traffic. When these sensors detect traffic slowdowns, an alarm alerts a traffic manager who then takes appropriate action to alleviate the congestion.

Table 9.8 Minnesota Market Location and Truck Transportation

Minnesota businesses have easy access to one million businesses and 49 million customers within a 500 mile radius of Minneapolis-St. Paul.

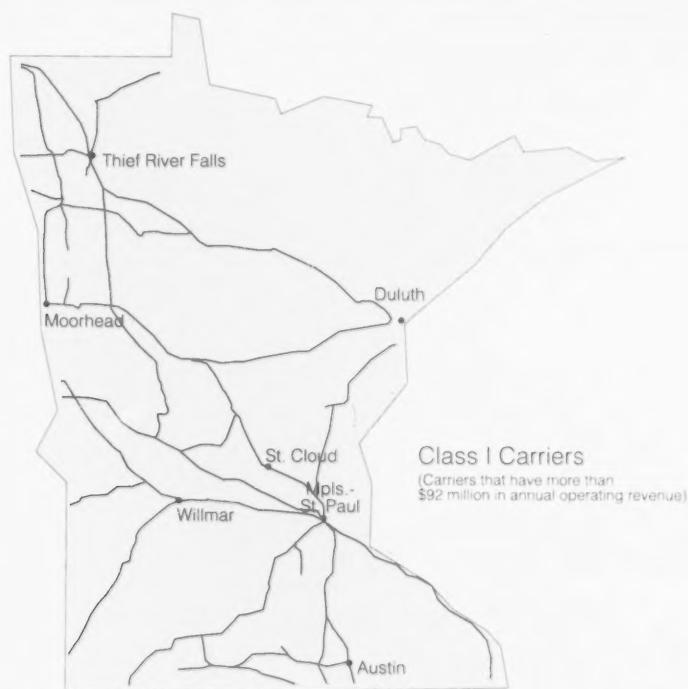


Source: Road Atlas 1993, Rand McNally.

- According to the U.S. Department of Labor, more than one million businesses, including nearly 82,000 manufacturers, are located within 500 miles of Minneapolis-St. Paul.
- About 5,000 miles of Minnesota's 12,000 mile trunk highway system is part of the National Truck Network, according to the Minnesota Department of Transportation (DOT). This designation allows twin trailer trucks to travel on these roads. Minnesota allows twin trailers on an additional 1,300 miles of the state trunk highway system.
- Minnesota has a fully automated one-stop truck administration center located in Minneapolis-St. Paul. This one-stop center streamlines all motor carrier registration and licensing.
- Approximately 4,500 intrastate carriers and 17,000 interstate carriers have authority to operate in Minnesota. According to *Commercial Carrier Journal*, Minnesota was home to three of the nation's 100 largest trucking fleets in 1991.
- Trucking companies often utilize one of Minnesota's five intermodal rail/truck freight yards.
- Minnesota businesses have immediate access to a large consumer market. According to the U.S. Department of Commerce, 49 million people lived within 500 miles of Minneapolis-St. Paul in 1990.
- According to the Minnesota Department of Transportation, less than 18 percent of the state's trunk highway system is restricted to vehicle weights of less than 10 tons per axle during the spring thaw period. Between 1984 and 1993, the number of unrestricted miles increased more than 300 percent.
- According to trucking companies, Minnesota truckload shipments can reach nearly all U.S. destinations in three days or less. Some West Coast destinations may take up to four days.
- According to *Trucking in Minnesota*, (Minnesota Trucking Association, 1991), trucks moved 80 percent of Minnesota's total tonnage of manufactured goods bound for non-Minnesota destinations.
- According to the Minnesota Department of Transportation, Minnesota currently has 56 trade terminals that handle at least 100 trucks daily. These terminals are located throughout the state.

Table 9.9 Major Rail System Carriers and Minnesota Rail Service Improvement Provisions, 1993

Minnesota had nearly 4,800 miles of active railroad track.



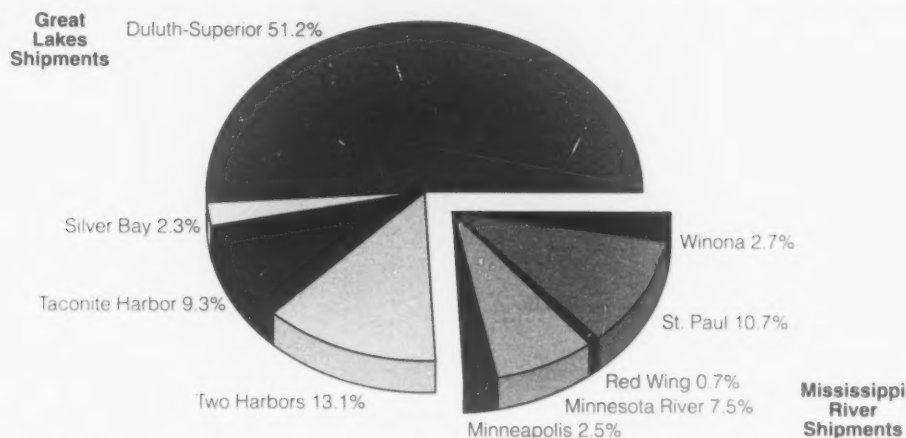
Major Rail Carriers	Miles in MN	Percent of Total MN Track	Investment Type	Cumulative Investments (millions)	Percent of Total Investment
Burlington Northern	1,889	39.4%	Federal	\$13.7	19.7%
Chicago & North Western	510	10.6	State	34.2	49.3
Soo Line	1,106	23.0	Private	21.5	31.0
Others	1,293	27.0			
Total Miles	4,798	100.0%	Total Investments	\$69.4	100.0%

Source: Unpublished data, 1993, Minnesota Department of Transportation, Rail Planning Section.

- Minnesota's rail system consists of three major and 16 small carriers that own 3,505 miles and 1,293 miles of track, respectively. As of August 1993, Minnesota had 4,798 miles of active railroad track across Minnesota.
- Total 1993 rail system investments, which included the Rail Service Improvement Program, were \$12.6 million in rail improvements and \$10.2 million in grade crossing safety improvements.
- In 1978, the Minnesota Rail Service Improvement Program was initiated to continue rail service of profitable lines that were identified for abandonment. Since that time, the program has rehabilitated 834 miles of rail line, retaining rail service for 188 communities and 270 rail users.
- Taconite remains Minnesota's leading commodity shipped by rail. Low sulfur western coal is the second leading commodity moved by rail.
- Minnesota has five intermodal freight yards (where truck trailers and containers piggy-back on trains). Three of these yards are located in northern Minnesota and two are in Minneapolis-St. Paul.
- Minnesota also has 20 rail/water intermodal facilities, which are located primarily in the Twin Cities area and in the northeast and southeast regions of the state.

Table 9.10 Minnesota Commerce on Navigable Waterways, 1992

Minnesota's annual waterborne shipments exceeded 76,000 tons.



Minnesota Ports	Tonnage 1992 (thousands)	Average Tonnage 1983-92 (thousands)
Great Lakes Shipments		
Duluth-Superior to other U.S. and Canadian ports	30,579	28,605
Duluth-Superior international cargo	8,525	6,640
Silver Bay	1,721	1,920
Taconite Harbor	7,131	6,641
Two Harbors	10,014	9,474
Total Great Lakes Shipments	57,970	53,281
Mississippi River Shipments		
Minneapolis	1,943	1,498
Minnesota River	5,709	5,073
Red Wing	564	583
St. Paul	8,135	9,399
Winona	2,064	1,554
Total Mississippi River Shipments	18,414	18,106
Total Minnesota Waterborne Shipments	76,384	71,387

Note: Data may not equal totals due to rounding.

Source: Unpublished data, 1993, Minnesota Department of Transportation, Ports and Waterways Section.

- Minnesota has four Great Lakes ports and sixty river terminals.
- Forty-eight river terminals are located on the Mississippi River, ten are on the Minnesota River, and two are on the St. Croix River. These waterways account for 231 miles of navigable waterways.
- Minnesota's river terminals move an annual average of 7 percent of the total U.S. grain export volume.
- In 1992, Duluth-Superior was the largest Great Lakes port and the fourteenth largest port in the United States.
- Iron ore accounted for 66 percent of commodity shipments on the Great Lakes in 1992.

Construction and Real Estate 10

In Minnesota, both residential and commercial/industrial real estate is abundantly available and moderately priced. Of the largest metropolitan areas in the country, the Twin Cities ranked eleventh lowest in average house price and eighth lowest in building construction costs in 1993. The Twin Cities also offers an abundant supply of office and industrial space at prices that are extremely competitive with other major metropolitan areas.

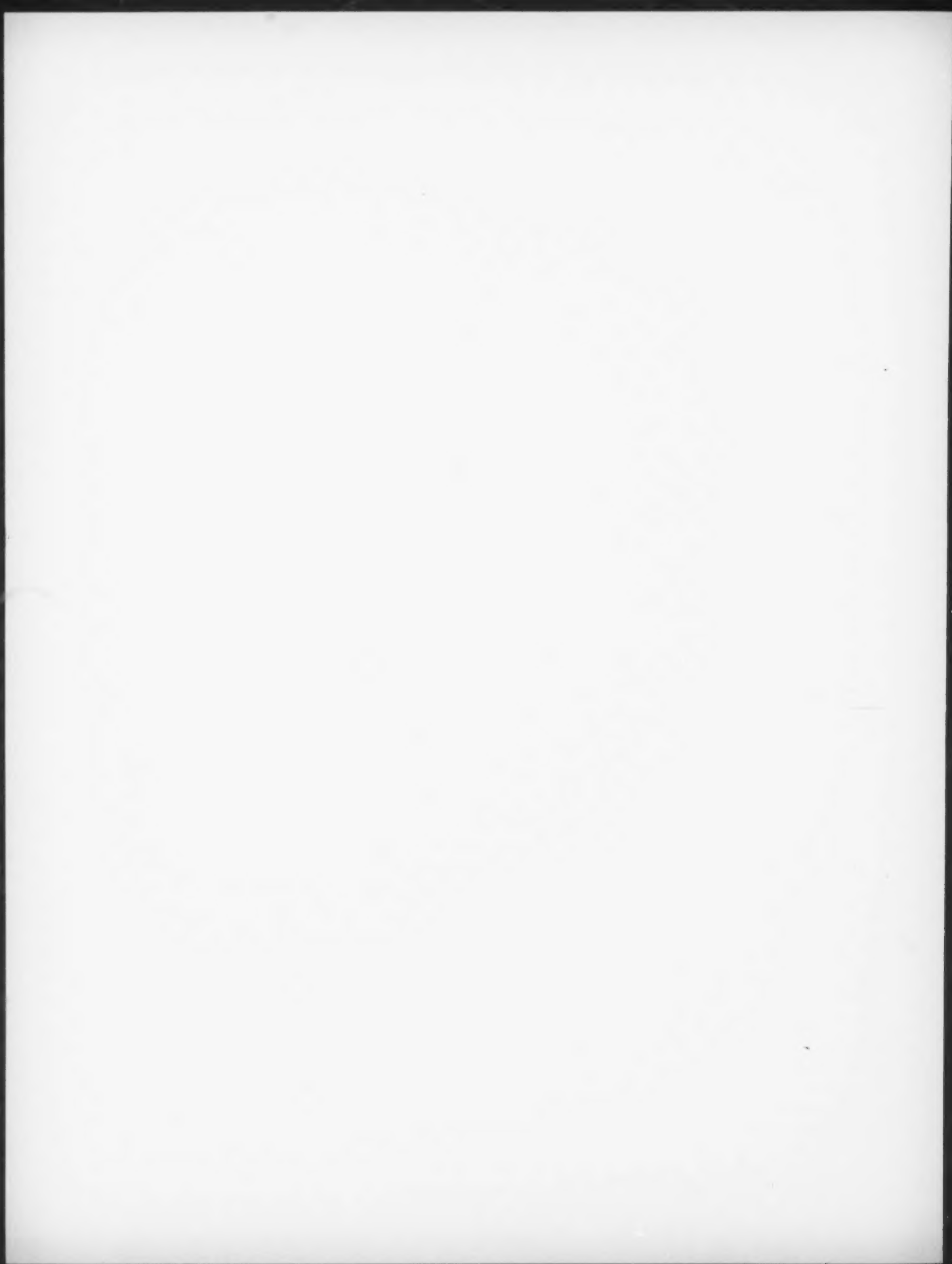


Table 10.1 Twin Cities Area Office Space Market, Second Quarter 1992

Office space in the Twin Cities area was in abundant supply.



Twin Cities Market Sector	Total Office Space		Net Rent Per Sq. Ft.		Twin Cities Market Sector	Total Office Space		Net Rent Per Sq. Ft.	
	(sq.ft.)	Percent Vacant	Low	High		(sq.ft.)	Percent Vacant	Low	High
Minneapolis CBD					Northeast	1,558,698	23.0%	\$5.25	\$12.50
Class A	12,700,388	22.6%	\$6.00	\$12.00	Northwest	865,192	23.7	6.00	12.50
Class B	4,595,326	25.8	4.00	10.00	Southwest				
Class C	941,268	23.5	3.00	6.25	Class A	4,507,156	14.7	8.50	15.00
Renovated	2,783,483	15.3	3.85	11.00	Class B	8,112,013	22.3	5.00	13.00
Total	21,020,465	22.4			Total	12,619,169	19.5		
Minneapolis Out-of-CBD	1,129,038	3.6	5.25	12.50	West				
St. Paul CBD					Class A	1,808,996	19.8	9.00	17.00
Class A	1,152,798	29.1	6.50	11.00	Class B	3,863,097	15.9	5.00	14.50
Class B	2,432,358	9.3	5.00	9.50	Total	5,672,093	17.1		
Class C	931,927	54.6	2.25	6.20	Anoka County	382,028	26.6	6.00	11.60
Renovated	1,492,107	8.2	5.00	10.00	Dakota county	928,495	13.2	7.00	11.00
Total	6,009,190	19.8			Washington County	280,877	10.4	7.25	12.00
St. Paul Out-of-CBD	1,682,966	22.9	4.00	12.50	Twin Cities Area Total	52,148,211	20.3%		

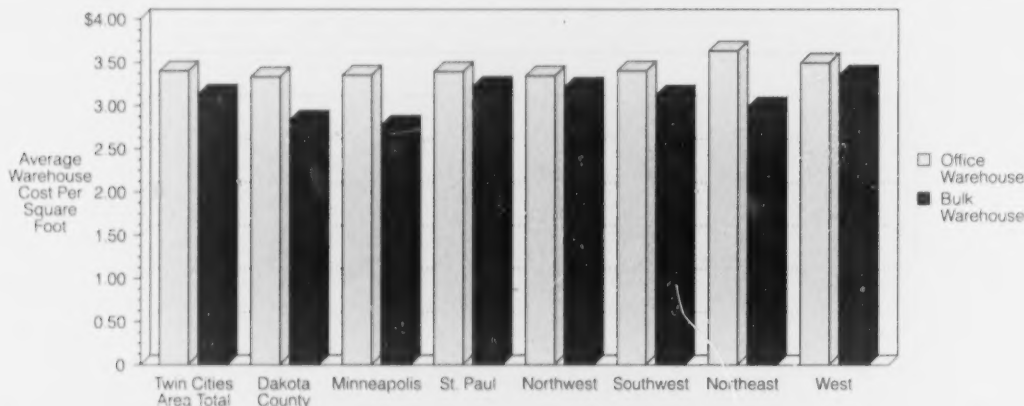
Note: CBD = central business district.
Class A = Buildings generally under five years old in first class condition, design and decor.
Class B = Seasoned buildings generally at least five years old and in good condition.
Class C = Older buildings of any size in average to poor condition.

Source: Towle Report '93, Towle Real Estate Company, Minneapolis, MN.

- Rental rates in the Twin Cities area in 1992 were extremely competitive with other metropolitan areas in the country because there was an abundant supply of office space.
- By 1992, the southwest sector, spanning I-494, had experienced the most growth in recent years and became the second largest office space market in the Twin Cities area.
- The largest office space market within the Twin Cities area was the Minneapolis central business district with 40 percent of the total office space. For businesses located in other areas, the supply of office space was abundant and competitively priced.
- Vacancy rates in the Twin Cities area increased in each of the five years preceding 1992, which contributed to a drop in rental rates and the creation of a tenants market.

Table 10.2 Twin Cities Area Industrial Space Market, Third Quarter 1992

The Twin Cities area had an abundant supply of inexpensive industrial space.



Twin Cities Market Sector	Total Area Available (sq. ft.)	Percent Vacant	Average Net Office Rent Per Sq. Ft.	Average Net Warehouse Rent Per Sq. Ft.	Real Estate Taxes Per Sq. Ft.	Total Expenses* Per Sq. Ft.
Office Warehouse						
Dakota County	1,616,003	20.6%	\$6.62	\$3.33	\$1.17	\$1.67
Minneapolis	647,157	8.0	6.40	3.35	1.44	2.00
Northeast	3,006,436	15.7	6.56	3.39	1.30	1.81
Northwest	2,083,327	22.0	6.52	3.34	1.46	2.13
Southwest	5,345,056	11.1	6.75	3.40	1.50	2.27
St. Paul	470,415	32.9	7.38	3.63	1.38	2.02
West	2,765,685	27.3	6.91	3.49	1.50	2.27
Twin Cities Area Total	15,934,079	17.7%	\$6.70	\$3.40	\$1.41	\$2.07
Bulk Warehouse						
Dakota County	1,799,760	45.9%	\$5.75	\$2.83	\$0.91	\$1.35
Minneapolis	961,102	16.2	6.00	2.77	1.10	1.56
Northeast	1,542,500	1.2	7.25	3.22	1.50	1.95
Northwest	1,563,261	13.1	6.72	3.21	1.16	1.58
Southwest	1,161,122	12.9	6.50	3.12	1.26	1.75
St. Paul	1,552,000	17.8	7.00	2.98	1.13	1.39
West	1,429,555	23.0	6.65	3.35	1.34	1.85
Twin Cities Area Total	10,009,300	19.6%	\$6.38	\$3.13	\$1.23	\$1.65

* Total Expenses is the annual cost per square foot of all operating expenses, including taxes.

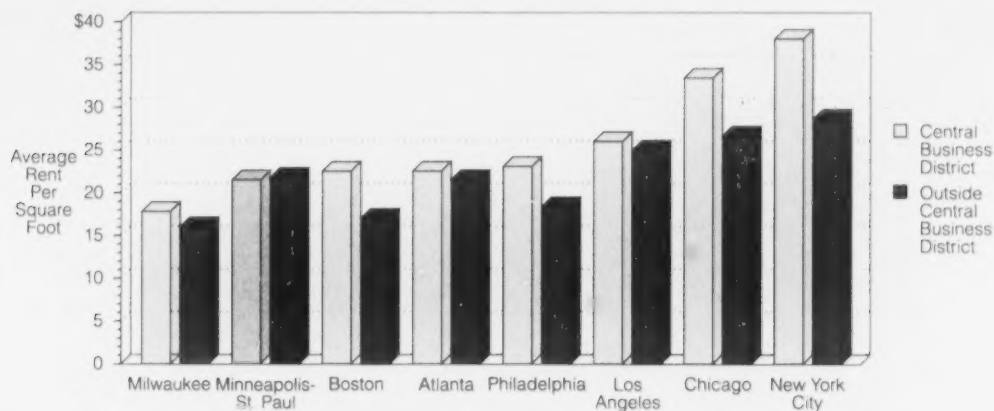
Note: The Twin Cities area industrial space market does not include data for Anoka and Washington counties, which are included in the Twin Cities area office space market (Table 10.1). The office warehouse buildings included in this survey are facilities of 25,000 rentable square feet or larger built after World War II. These facilities typically offer 10 to 20 percent office finish and have 16 foot to 20 foot ceiling heights. The bulk warehouse buildings are also postwar, multi-tenant facilities typically 50,000 rentable square feet or larger. They offer 5 to 10 percent office finish and ceiling heights of 20 feet or greater.

Source: Towle Report 1993, Towle Real Estate Company, Minneapolis, MN

- More than 4 million square feet of warehouse space in the Twin Cities area was vacant in 1992. Of this total, 17.7 percent was office warehouse space and 19.6 percent was bulk warehouse space.
- Average net warehouse rent per square foot in the Twin Cities area ranged from \$3.33 to \$3.63 for office warehouse space and from \$2.77 to \$3.35 for bulk warehouse space.
- In 1992, total expenses ranged from \$1.67 to \$2.27 per square foot for office warehouse space and from \$1.35 to \$1.95 per square foot for bulk warehouse space. The Twin Cities area average was \$2.07 for office warehouse and \$1.65 for bulk warehouse.
- 1992 annual property taxes per square foot in the Twin Cities area averaged \$1.41 for office warehouse and \$1.23 for bulk warehouse.

Table 10.3 Selected Major Office Space Markets, 1992

Office space in the Twin Cities was competitively priced.



Metropolitan Area	Total Class A Office Space (square feet)	Vacancy Rate	Cost Per Square Foot		
			Lowest	Highest	Weighted* Average
Milwaukee, WI					
CBD	5,324,706	12.3%	\$15.50	\$26.00	\$17.80
Outside CBD	3,095,173	13.0	15.00	17.00	16.00
Minneapolis-St. Paul, MN					
CBD	12,700,000	22.8	19.00	25.50	21.50
Outside CBD	8,550,000	16.9	16.10	26.50	21.80
Boston, MA					
CBD	36,892,000	13.5	11.00	35.00	22.50
Outside CBD	40,000,000	19.8	10.00	26.00	17.00
Atlanta, GA					
CBD	82,411,196	16.7	15.00	28.50	22.51
Outside CBD	64,732,839	14.0	16.00	32.00	21.53
Philadelphia, PA					
CBD	32,116,483	14.9	11.00	33.00	23.08
Outside CBD	29,634,730	18.2	10.20	26.75	18.38
Los Angeles, CA					
CBD	24,975,218	27.5	18.99	40.00	26.00
Outside CBD**	17,000,000	16.2	22.00	28.00	25.00
Chicago, IL					
CBD	51,914,503	24.6	22.65	47.00	33.45
Outside CBD	24,676,937	18.4	18.50	33.69	26.67
New York, NY					
CBD		16.4	33.60	52.80	38.02
Outside CBD	79,180,903	18.4	23.25	38.25	28.65

* Average quoted rental rate weighted by the vacant space available at the rental rate in each class.

** San Fernando Valley.

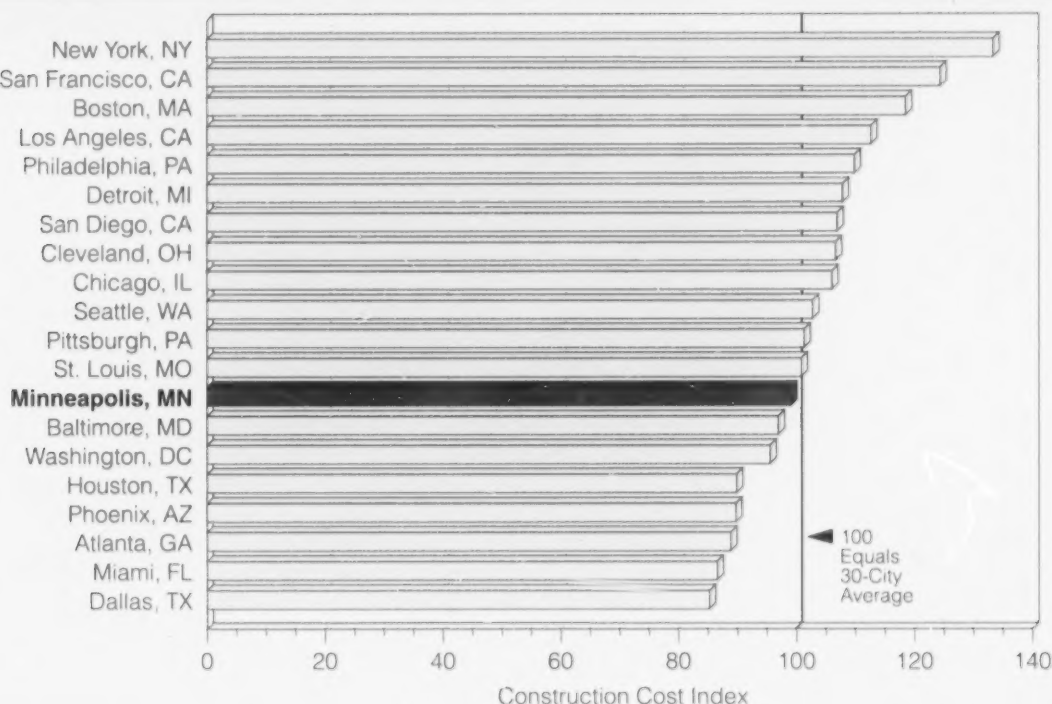
Note: CBD = central business district.

Source: Comparative Statistics, 1993, Society of Industrial and Office Realtors.

- With vacancy rates between 17 percent and 23 percent, there was an abundant supply of available office space in the Twin Cities in 1992.
- The cost of class A office space in the Twin Cities ranged from \$16.10 per square foot to \$26.50 per square foot.
- When comparing the above selected class A office space markets, the Twin Cities ranked second lowest for average gross rents in the central business districts.

Table 10.4 Building Construction Cost Index for the 20 Largest United States Cities, 1993

Minneapolis construction costs were below average.



Rank	City	Construction Cost Index	Rank	City	Construction Cost Index
1	New York, NY	133.4	11	Pittsburgh, PA	101.4
2	San Francisco, CA	124.4	12	St. Louis, MO	100.9
3	Boston, MA	118.6	13	Minneapolis, MN	99.1
4	Los Angeles, CA	112.7	14	Baltimore, MD	97.0
5	Philadelphia, PA	109.9	15	Washington, DC	95.6
6	Detroit, MI	107.9	16	Houston, TX	89.9
7	San Diego, CA	107.0	17	Phoenix, AZ	89.8
8	Cleveland, OH	106.7	18	Atlanta, GA	88.9
9	Chicago, IL	106.1	19	Miami, FL	86.6
10	Seattle, WA	102.8	20	Dallas, TX	85.3

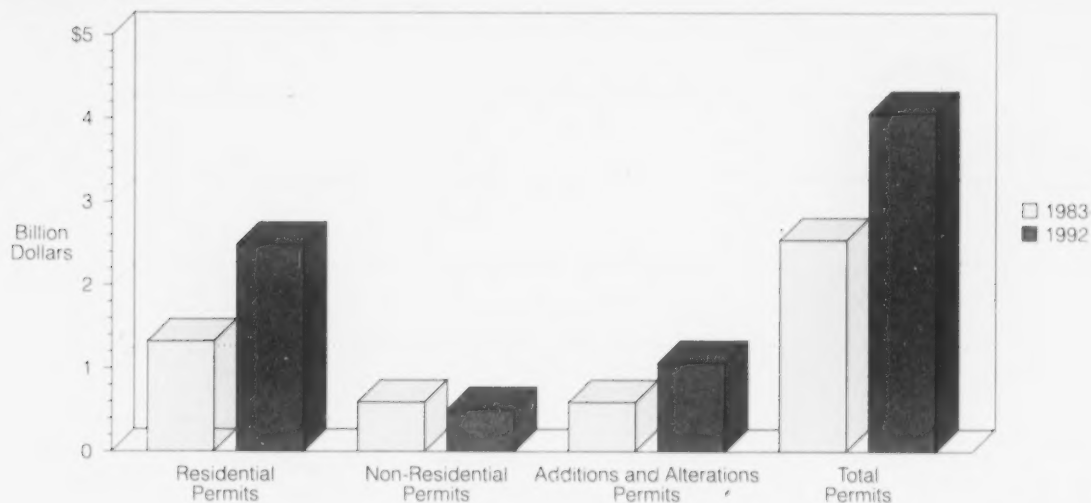
Note: Index figures include material and installation, and are based on a 30-city average of 100. The index represents the cost relationship as of July 1, 1993.

Source: Means Building Construction Cost Data, Phillip R. Waier, editor, 1993, R.S. Means Co.

- The Means Building Construction Cost Index measures the costs for large commercial/industrial projects, and includes material and labor installation expenses.
- In 1993, the construction cost index in Minneapolis was 99.1, slightly below the average for the 20 cities listed in the table.
- Of the nation's 20 largest cities, Minneapolis had the eighth lowest construction costs as of July 1, 1993.

Table 10.5 Value of Construction Permits, 1983 and 1992

The value of new construction permits continued to be strong in Minnesota.



	Minnesota 1983 (thousands)	Minnesota 1992 (thousands)	Minnesota as a Percent of U.S.	Percent Change 1983-1992	
				Minnesota	United States
New Residential					
1 unit	\$994,762	\$2,309,131	2.65%	132.13%	77.27%
2-4 units	89,712	33,711	1.41	-62.42	-44.80
5 or more units	236,970	138,801	2.29	-41.43	-61.62
Total	1,321,444	2,481,643	2.60	87.80	37.91
Other Residential	33,979	22,101	1.49	-34.96	-51.95
New Non-Residential					
Industrial	79,045	95,406	1.97	20.70	-16.96
Offices	179,772	52,604	0.92	-70.74	-54.66
Stores	96,130	156,439	1.52	62.74	39.16
Other	238,832	194,553	1.71	-18.54	11.10
Total	593,779	499,002	1.55	-15.96	-10.66
Additions and Alterations					
Residential	195,880	359,993	2.60	83.78	77.05
All Other	398,016	699,830	2.66	75.83	67.43
Total	593,896	1,059,823	2.64	78.45	70.63
Total	\$2,543,098	\$4,062,569	2.40%	59.75%	28.38%

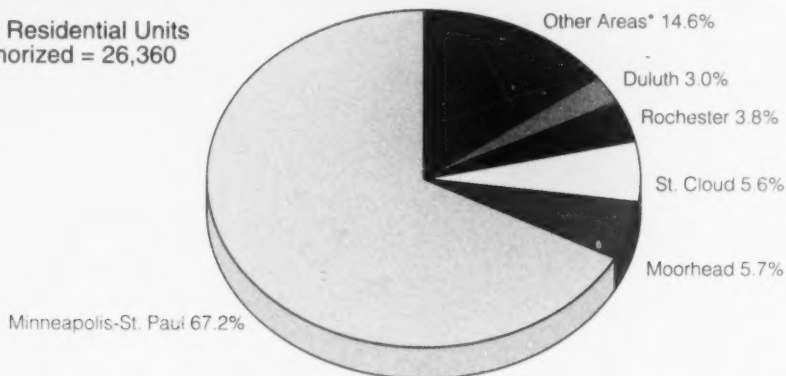
Source: Unpublished data, 1983 and 1992. U.S. Department of Commerce, Construction Statistics Division.

- The value of new single family home permits in Minnesota was 132 percent higher in 1992 than in 1983.
- The value of new multi-unit residential construction permits was lower in 1992 than in 1983. For buildings with 2-4 units, the value of permits was 62 percent less; for buildings with five or more units, the value was 41 percent less.
- In Minnesota, the value of new industrial construction permits was 21 percent higher in 1992 than in 1983, whereas, in the United States, it was 17 percent lower.
- For both the United States and Minnesota, the value of construction permits for additions and alterations was stronger in 1992 than in 1983.

Table 10.6 Residential Construction Trends in Minnesota, 1983 and 1992

Throughout Minnesota, residential construction was strong in 1992.

1992 Residential Units
Authorized = 26,360



	Residential Units Authorized		Residential Permit Valuation (thousands)	
	1983	1992	1983	1992
Metropolitan Areas	21,869	22,514	\$1,184,349	\$2,213,302
Duluth	401	799	14,388	54,003
Moorhead	1,305	1,499	43,953	80,858
Minneapolis-St. Paul	17,611	17,718	1,023,691	1,868,383
Rochester	966	1,013	45,327	104,024
St. Cloud	1,586	1,485	56,990	106,034
Other Areas*	2,941	3,846	137,095	268,342
Total Minnesota	24,810	26,360	\$1,321,444	\$2,481,644

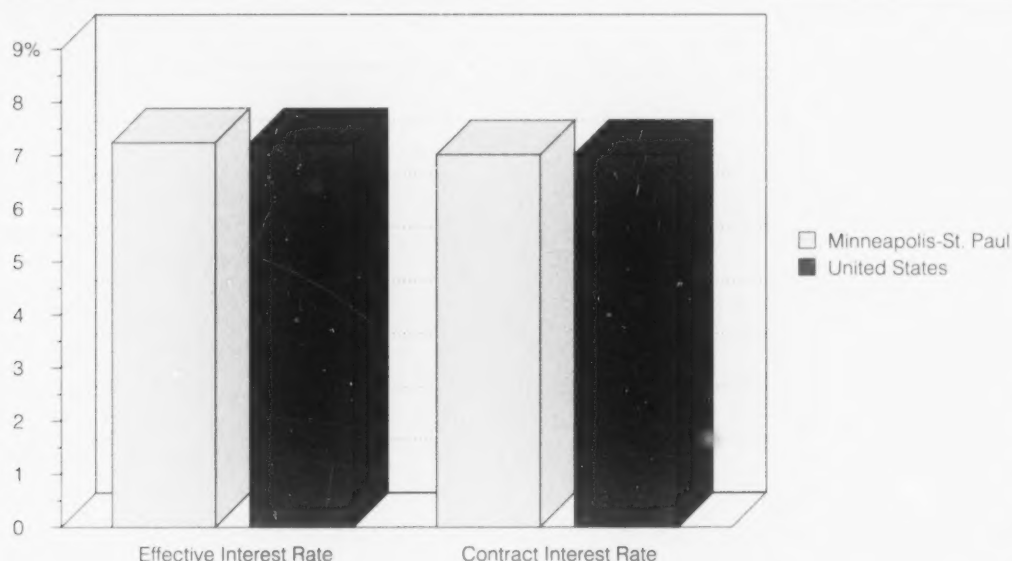
* Includes all residential areas outside the five metropolitan areas listed

Source: Unpublished data, 1983 and 1992, U.S. Department of Commerce, Bureau of the Census

- The number of permits issued for residential construction in Minnesota was higher in 1992 than in 1983.
- The 1992 valuation of residential permits in Moorhead, Rochester and St. Cloud was nearly twice the 1983 value, and in Duluth, it was almost four times higher.
- Residential areas outside the five metropolitan areas listed in the table, accounted for 15 percent of all residential permits issued in Minnesota in 1992.
- In 1992, there were 17,718 permits for residential units issued in Minneapolis-St. Paul with a total value of \$1.9 billion.
- Duluth showed the largest increase in the number of residential units authorized, issuing nearly twice as many permits in 1992 as in 1983.

Table 10.7 Terms on Conventional Mortgages for All Lenders, June 1993

Twin Cities mortgage interest rates were competitive.



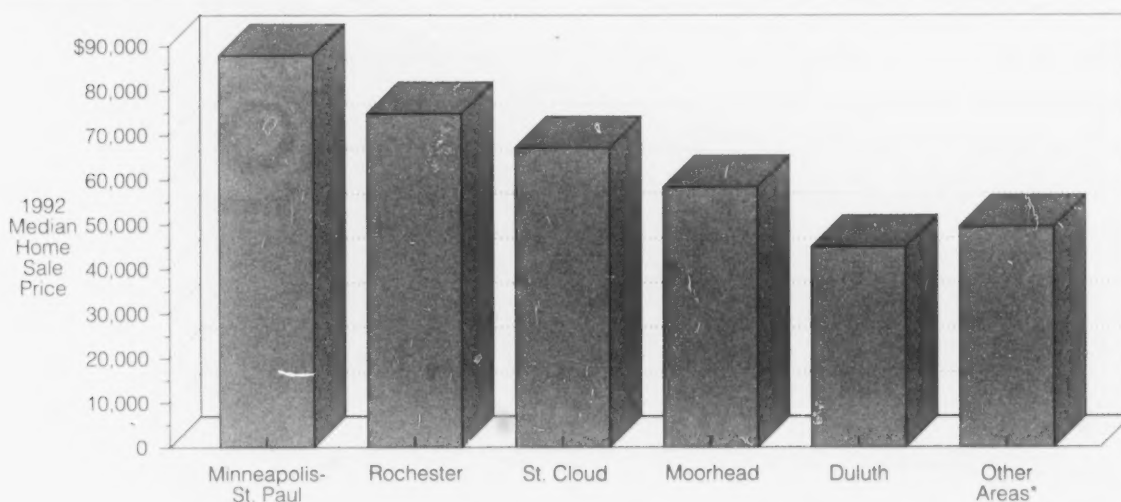
	Contract Interest Rate	Initial Fees and Charges	Effective Interest Rate	Loan/Price Ratio	Average Purchase Price
United States	7.02%	1.32%	7.23%	77.50%	\$146,000
Minneapolis-St. Paul	7.01	1.41	7.24	78.80	149,000

Source: News release, Second Quarter 1993, Federal Housing Finance Board

- In June 1993, the effective rate of 7.24 percent for residential mortgages in the Twin Cities closely reflected the national average of 7.23 percent.
- Mortgage interest rates reached a low of 7.01 percent in the Twin Cities, reflecting the downward trend occurring throughout the nation.
- Twin Cities home buyers were able to borrow a slightly higher proportion of their house price than the average buyer in the United States in 1993.
- Between December 1990 and June 1993, the effective rate for residential mortgages in the Twin Cities dropped 1.82 percentage points, from 9.06 percent to 7.24 percent.

Table 10.8 Median Residential Home Sale Price for Selected Areas of Minnesota, 1989 to 1992

Median housing prices in Minnesota can be significantly lower in residential areas outside the Twin Cities.



Area	Median House Sale Price				Percent Change 1989-1992
	1989	1990	1991	1992	
Minneapolis-St. Paul	\$80,859	\$83,647	\$85,000	\$87,950	8.8%
Duluth	36,560	41,500	42,242	45,000	23.1
Rochester	62,965	67,139	70,174	74,900	19.0
Moorhead	52,531	55,863	54,926	58,453	11.3
St. Cloud	56,364	58,952	63,446	67,260	19.3
Other Areas*	43,331	44,246	47,000	49,500	14.2

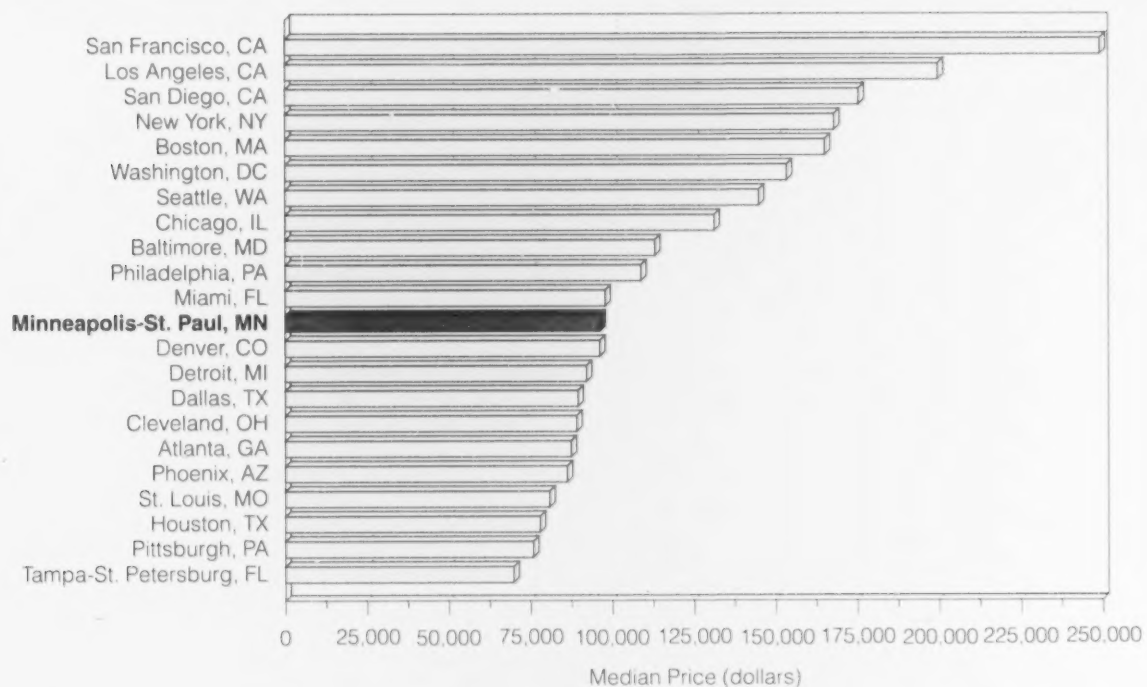
* Includes all residential areas outside the five metropolitan areas listed.

Source: Unpublished data, 1989, 1990, 1991 and 1992, Minnesota Department of Revenue, Division of Local Government Services.

- In 1992, the highest median house sale price in Minnesota was in the Twin Cities at \$87,950; the lowest median price was in Duluth at \$45,000.
- In the Minneapolis-St. Paul metropolitan area, the median house sale price increased 8.8 percent between 1989 and 1992.
- The largest percent increase in housing prices between 1989 and 1992 occurred in Duluth, appreciating 23 percent.

Table 10.9 Median Housing Prices for the 22 Largest Metropolitan Areas, First Quarter 1993

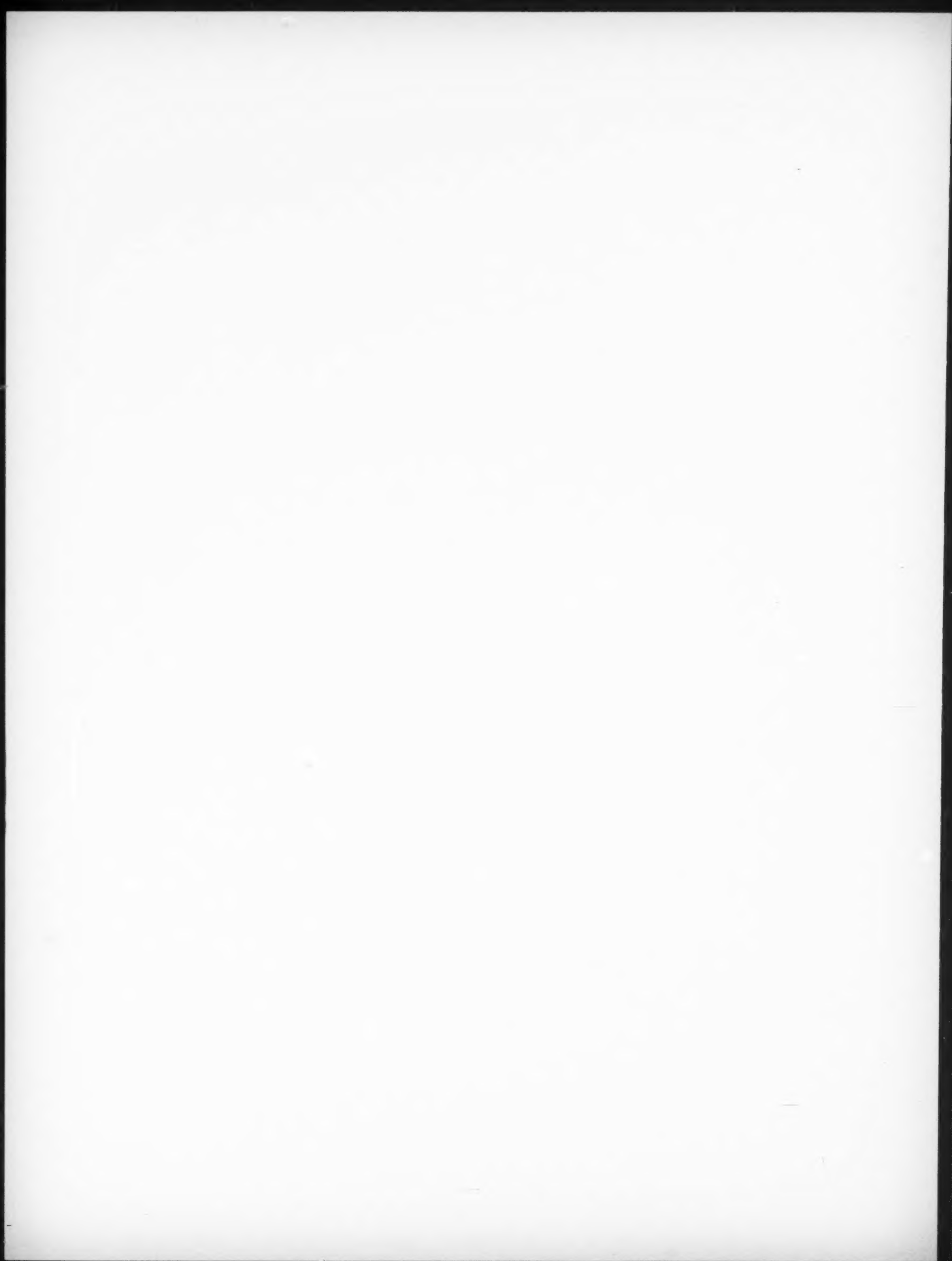
Median home prices were lower in the Twin Cities than in the United States as a whole.



Metropolitan Area	Median Price	Percent Change 1991-1993	Metropolitan Area	Median Price	Percent Change 1991-1993
United States	\$104,200	9.2%	Minneapolis-St. Paul, MN	\$96,400	6.5%
San Francisco CA	249,300	10.9	Denver, CO	96,300	15.9
Los Angeles, CA	199,700	-2.1	Detroit, MI	92,200	17.6
San Deigo, CA	175,500	-3.0	Dallas, TX	89,600	4.1
New York City, NY	168,000	1.8	Cleveland, OH	89,200	10.0
Boston, MA	165,200	2.0	Atlanta, GA	87,500	1.7
Washington, DC	153,500	5.9	Phoenix, AZ	86,300	2.7
Seattle, WA	145,000	4.2	St. Louis, MO	80,900	4.9
Chicago, IL	131,300	22.1	Houston TX	78,000	9.2
Baltimore, MD	113,200	9.9	Pittsburgh, PA	75,900	10.0
Philadelphia, PA	108,900	2.6	Tampa-St. Petersburg, FL	69,900	2.6
Miami, FL	98,000	11.5			

Source: U.S. Housing Markets, March 1991 and March 1993. Lomas Mortgage USA.

- Of the 22 largest metropolitan areas, the Twin Cities had the eleventh lowest median housing price of \$96,400 in the first quarter of 1993, 7-percent below the U.S. median price.
- Some of the major metropolitan areas have fluctuated in housing prices while the Twin Cities market has appreciated at a steady pace, reflecting a stable economy.



Quality of Life 11

Minnesota offers a high standard of living at a low cost, which contributes to an overall high quality of life. Both housing and health care costs are below the national average. Despite lower than average costs, the quality of health care services in Minnesota remains excellent, as demonstrated by the state's low infant mortality rate and long life expectancy.

Minnesota is a relatively safe state in which to live, with a very low crime rate. Also, pollution in the Twin Cities metropolitan area is low compared to other large metropolitan areas across the nation.

Entertainment is varied in Minnesota, with extensive outdoor activities and three major league sports teams. Minneapolis and St. Paul offer diverse cultural opportunities including theater, music, museums, gardens and zoos.

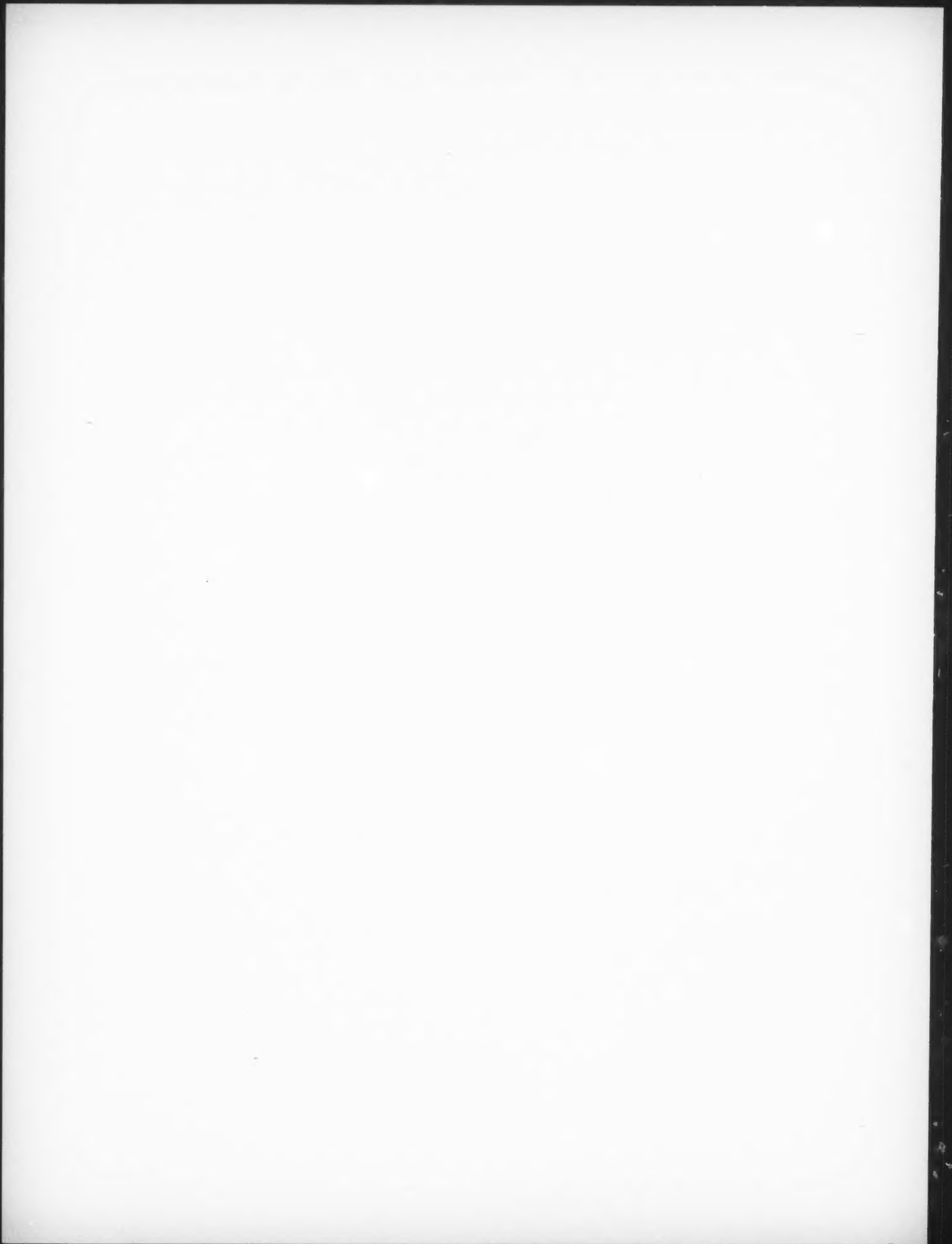


Table 11.1 Cost of Living for 20 Large Metropolitan Areas in the United States, 1992

Residents of Minneapolis enjoyed a low cost of living.

Metropolitan Area	Composite Index*	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc.
St. Louis, MO	96.5	99.1	95.8	104.7	98.8	101.1	92.6
Tampa-St. Petersburg, FL	96.6	97.3	95.5	102.7	99.4	98.5	94.5
Houston, TX	99.1	101.1	92.2	101.0	118.4	107.5	96.8
Atlanta, GA	99.2	97.4	97.0	113.2	96.0	109.1	97.6
Phoenix, AZ	100.0	98.7	93.1	96.4	112.8	113.2	101.5
Minneapolis, MN	101.7	93.7	110.6	92.2	105.2	108.9	98.1
Dallas, TX	102.6	99.4	97.7	118.5	106.0	112.2	101.3
Denver, CO	102.9	97.6	109.5	93.6	107.5	121.0	98.1
Milwaukee, WI	104.9	100.9	124.3	93.9	102.7	100.9	95.3
Cincinnati, OH	105.4	95.2	110.6	100.3	104.7	97.5	107.6
Miami-Hialeah, FL	106.9	96.8	113.6	125.6	105.8	119.6	98.9
Cleveland, OH	110.3	100.5	117.3	129.0	109.9	110.8	103.4
Seattle, WA	118.1	114.6	149.7	62.3	110.2	139.1	107.8
Chicago, IL	120.3	104.6	150.7	119.9	109.9	113.7	105.8
Philadelphia, PA	131.4	119.6	147.1	189.4	112.7	118.8	113.6
Los Angeles, CA	132.3	109.4	185.0	82.4	118.0	136.5	115.0
San Diego, CA	132.5	109.0	197.0	71.7	129.2	131.9	106.4
Washington, DC	134.7	118.0	169.1	115.0	132.7	139.5	118.3
Boston, MA	136.8	113.3	180.8	140.8	120.1	142.1	113.2
New York, NY	215.3	143.9	379.5	171.3	127.0	206.3	148.2

* 100 = average for 300 U.S. urban areas.

Note: The metropolitan areas listed in the table are those that reported cost of living data for at least two quarters in 1992 to the American Chamber of Commerce Researchers Association.

Source: Cost of Living Index. First, Second, Third and Fourth Quarter issues, 1992. American Chamber of Commerce Researchers Association.

- In 1992, Minneapolis had the sixth lowest cost of living composite index of the 20 largest metropolitan areas in the United States that responded to the *Cost of Living Index* survey.
- Among the six index components, housing, at 110.6, was the one with the highest cost in Minneapolis. However, among the top 20 metropolitan areas, housing in Minneapolis was eighth lowest.
- The index component with the lowest cost in Minneapolis was utilities. At 92.2, it was the fourth lowest of the 20 major metropolitan areas.
- Of the 20 largest metropolitan areas, Minneapolis ranked lowest for the cost of grocery items.

Table 11.2 Standard of Living for 20 Large Metropolitan Areas in the United States, 1992

Minneapolis offered residents a high standard of living.

Metropolitan Area	Standard of Living ¹	Standard of Living Index ²	Median Household Effective Buying Income ³	Cost of Living Index
Metro Average	\$38,353	100	N/A	
Houston, TX	45,976	120	\$45,573	99.1
Dallas, TX	44,124	115	45,271	102.6
St. Louis, MO	42,913	112	41,389	96.5
Atlanta, GA	42,483	111	42,144	99.2
Chicago, IL	41,210	107	49,589	120.3
Minneapolis, MN	40,842	107	41,547	101.7
Denver, CO	40,550	106	41,737	102.9
Milwaukee, WI	40,393	105	42,373	104.9
Washington, DC	40,219	105	54,176	134.7
Cincinnati, OH	38,762	101	40,836	105.4
Seattle, WA	37,498	98	44,294	118.1
Phoenix, AZ	36,684	96	36,693	100.0
Boston, MA	36,605	95	50,067	136.8
Philadelphia, PA	36,594	95	48,093	131.4
Los Angeles, CA	36,513	95	48,307	132.3
Miami-Hialeah, FL	36,087	94	38,565	106.9
Cleveland, OH	35,165	92	38,769	110.3
Tampa-St. Petersburg, FL	34,781	91	33,598	96.6
San Diego, CA	34,247	89	45,377	132.5
New York, NY	25,419	66	54,728	215.3

1 Standard of living is calculated by dividing the median household effective buying income by the cost of living index. Unrounded data was used to compute the standard of living data in this table.

2 The standard of living index is derived by dividing each area's standard of living by the metro average standard of living of \$38,353.

3 Median household effective buying income is defined as the median of the household distribution of all personal income less personal tax and non-tax payments.

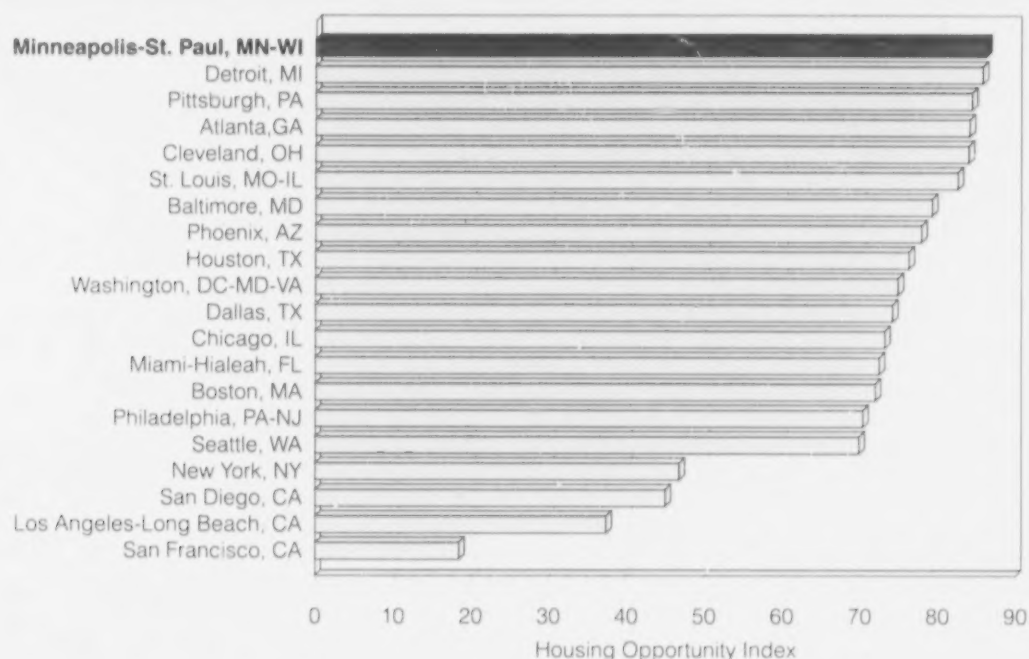
Note: The metropolitan areas listed in the table are those that reported cost of living data for at least two quarters in 1992 to the American Chamber of Commerce Researchers Association.

Source: *Sales and Marketing Management*, October 1993, Bill Communications, Inc.
Cost of Living Index, First, Second, Third and Fourth Quarter issues, 1992, American Chamber of Commerce Researchers Association.

- Using the median household effective buying income adjusted for the area's cost of living index as a measure of standard of living, Minneapolis had a standard of living of \$40,842 in 1992.
- Among the six Midwestern metropolitan areas included in the *Cost of Living Index* survey, Minneapolis had the third highest standard of living, behind Chicago and Saint Louis.
- Of the 20 largest cities included in the table, Minneapolis was higher than only six cities in median household effective buying income. Yet, because the cost of living in the Minneapolis area was low compared to the other large metropolitan areas, the standard of living in Minneapolis was sixth highest of the 20 metropolitan areas.

Table 11.3 Housing Opportunity Index for the 20 Largest Metropolitan Areas, Fourth Quarter 1993

Minneapolis-St. Paul ranked first in home affordability.



Rank	Metropolitan Area	Housing Opportunity Index	Rank	Metropolitan Area	Housing Opportunity Index
1	Minneapolis-St. Paul, MN-WI	86.2	11	Dallas, TX	74.2
2	Detroit, MI	85.8	12	Chicago, IL	73.2
3	Pittsburgh, PA	84.4	13	Miami-Hialeah, FL	72.5
4	Atlanta, GA	84.1	14	Boston, MA	72.0
5	Cleveland, OH	84.0	15	Philadelphia, PA-NJ	70.4
6	St. Louis, MO-IL	82.6	16	Seattle, WA	69.9
7	Baltimore, MD	79.3	17	New York, NY	46.8
8	Phoenix, AZ	77.9	18	San Diego, CA	45.0
9	Houston, TX	76.3	19	Los Angeles-Long Beach, CA	37.4
10	Washington, DC-MD-VA	74.9	20	San Francisco, CA	18.5

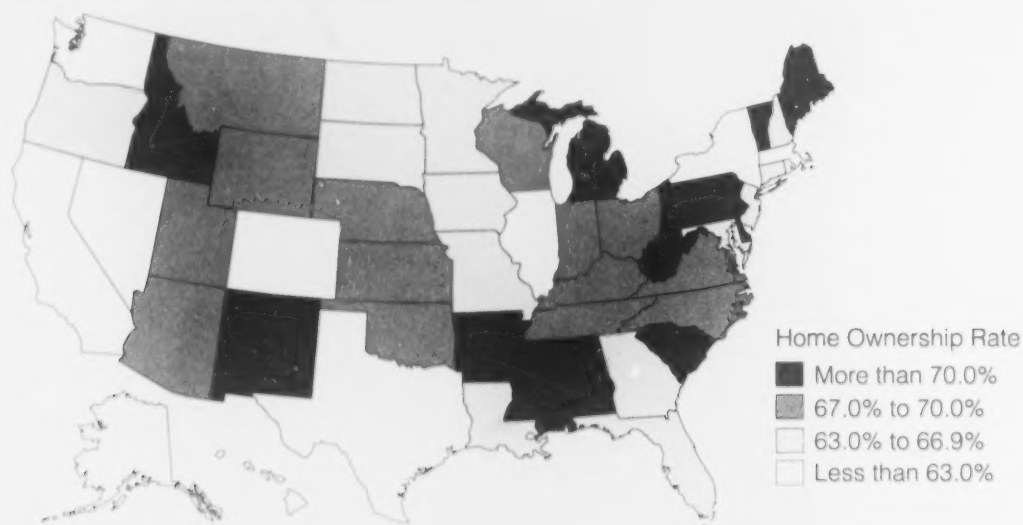
Note: The housing opportunity index calculates the median household income and the median price of a home sold for each market area in a particular quarter of the year. A household can afford to purchase a home equal to 3.6 times its annual income at the prevailing mortgage interest rate, which was 6.80 percent during the fourth quarter of 1993. The index number shows the percentage of homes sold during the quarter that could have been purchased by a household earning the median income of that particular city.

Source: *Housing News Service*, March 24, 1994, National Association of Home Builders.

- The housing opportunity index measures the ability of the typical family to purchase a home in the nation's 20 largest metropolitan areas. The index indicates the percentage of homes sold in each market that were affordable for the median income household at the prevailing mortgage interest rate.
- During the fourth quarter of 1993, 86.2 percent of the homes sold in the Minneapolis-St. Paul area were rated affordable for households earning the median income.
- Minneapolis-St. Paul had the most affordable housing market among the 20 largest metropolitan areas during the fourth quarter of 1993, according to the National Association of Home Builders.

Table 11.4 Home Ownership Rate, 1992

Two-thirds of Minnesota residents were home owners.



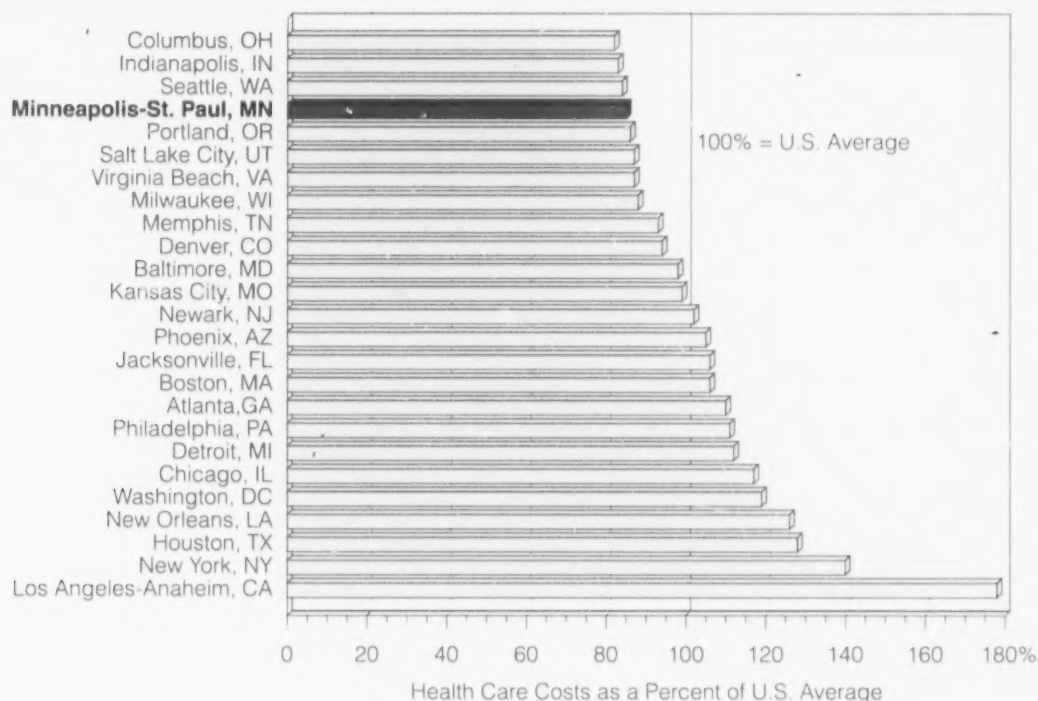
Rank	State	Rate	Rank	State	Rate	Rank	State	Rate
	United States	64.1	18	Ohio	69.1	35	Missouri	65.2
1	Delaware	73.8	19	Kentucky	69.0	36	Maryland	64.8
2	West Virginia	73.3	20	Oklahoma	68.9	37	New Jersey	64.6
3	Pennsylvania	73.1	21	North Carolina	68.6	38	Oregon	64.3
4	Maine	72.0	22	Nebraska	68.4	39	North Dakota	63.7
5	South Carolina	71.0	23	Wyoming	67.9	40	Washington	62.5
6	Vermont	70.8	24	Virginia	67.8	41	Illinois	62.4
7	Michigan	70.6	25	Indiana	67.6	42	Massachusetts	61.8
8	New Mexico	70.5	26	Tennessee	67.4	43	Colorado	60.9
9	Mississippi	70.4	27	Georgia	66.9	44	Texas	58.3
10	Arkansas	70.3	28	Louisiana	66.7	45	Rhode Island	56.8
11	Idaho	70.3	29 Minnesota	66.7	46	Alaska	55.5	
12	Alabama	70.3	30	New Hampshire	66.6	47	California	55.3
13	Utah	70.0	31	South Dakota	66.5	48	Nevada	55.1
14	Montana	69.9	32	Iowa	66.3	49	Hawaii	53.8
15	Kansas	69.8	33	Connecticut	66.1	50	New York	53.3
16	Wisconsin	69.4	34	Florida	66.0	51	District of Columbia	35.0
17	Arizona	69.3						

Source: *Housing Vacancies and Home Ownership, Annual Statistics, 1992*, U.S. Department of Commerce, Bureau of the Census.

- Two-thirds of the housing units in Minnesota were owner-occupied in 1992, exceeding the national average of 64.1 percent.
- Minnesota ranked third among the Plains states for home ownership, behind Kansas and Nebraska.
- The healthy home ownership rate in Minnesota is indicative of a stable economy and an affordable housing market.

Table 11.5 Health Care Costs in 25 Large Metropolitan Areas, 1992

Health care costs were lower in Minneapolis-St. Paul than in most major metropolitan areas.



Rank	Metropolitan Area	Health Care Costs as a Percent of U.S. Average	Rank	Metropolitan Area	Health Care Costs as a Percent of U.S. Average
1	Columbus, OH	82%	14	Phoenix, AZ	105%
2	Indianapolis, IN	83	15	Jacksonville, FL	106
3	Seattle, WA	84	16	Boston, MA	106
4	Minneapolis-St. Paul, MN	85	17	Atlanta, GA	110
5	Portland, OR	86	18	Philadelphia, PA	111
6	Salt Lake City, UT	87	19	Detroit, MI	112
7	Virginia Beach, VA	87	20	Chicago, IL	117
8	Milwaukee, WI	88	21	Washington DC	119
9	Memphis, TN	93	22	New Orleans, LA	126
10	Denver, CO	94	23	Houston, TX	128
11	Baltimore, MD	98	24	New York, NY	140
12	Kansas City, MO	99	25	Los Angeles-Anaheim, CA	178
13	Newark, NJ	102			

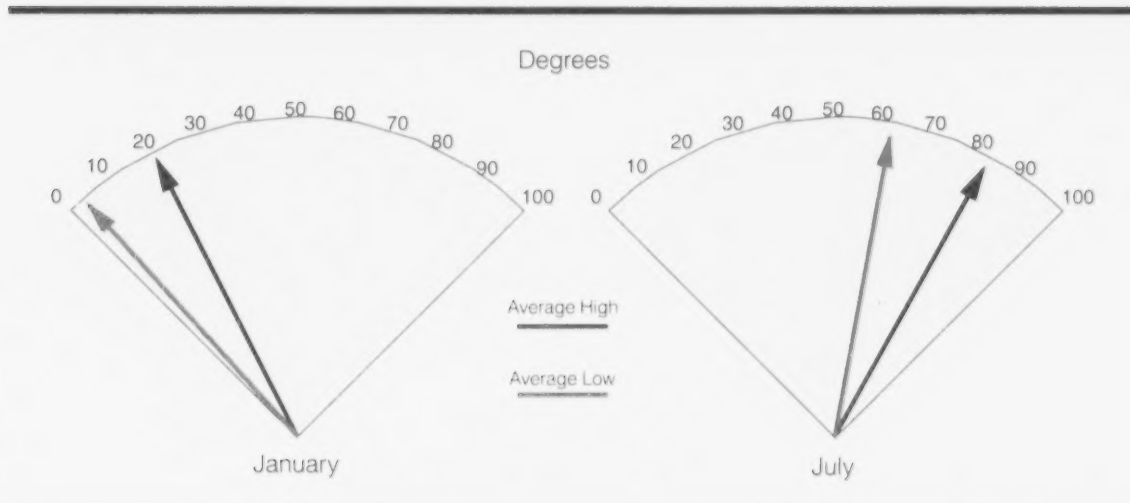
Note: The 25 metropolitan areas included in the table were listed in a Milliman & Robertson press release.

Source: *Medical Costs by Geographic Area, 1992*, Milliman & Robertson, Inc.

- Health care costs in Minneapolis-St. Paul were 15 percent lower than the national average in 1992, according to a study by Milliman and Robertson.
- When compared to other large urban areas, health care costs in the Minneapolis-St. Paul area were competitive.
- According to Milliman & Robertson, the national average monthly premium per employee in 1992 was \$375. In Minneapolis-St. Paul, the average monthly premium per employee was \$318.75.

Table 11.6 Climatic Averages for Minneapolis-St. Paul

Minnesota's weather is characterized by four distinct seasons.



Normal Daily Temperature (in degrees Fahrenheit)

January Maximum	19.9°	July Maximum	83.4°
January Minimum	2.4°	July Minimum	62.7°

Relative Humidity

January Morning	73%	July Morning	80%
January Afternoon	67%	July Afternoon	52%

Annual Precipitation	26.4"	Average Wind Speed	10.6 mph
Annual Snowfall	49.2"	Annual Sunshine	58%
Heating Degree Days	8,007	Cooling Degree Days	662

Number of Days with Maximum Temperature Above 90 Degrees 15

Note: A heating or cooling degree day is each degree that the average temperature for that day is below or above 65 degrees, respectively. The annual summation of these degree days yields the given figure.

Source: *The Weather Almanac*, Frank E. Bair, editor, 1992, Gale Research Inc.

- Minnesota's normal maximum temperature ranges from 20 degrees Fahrenheit in January to 83 degrees in July. The temperature rises above 90 degrees an average of 15 days per year.
- Summer is a pleasant season in Minnesota as the normal low temperature in July is 63 degrees and the afternoon humidity is 52 percent.
- Minnesota receives sunshine 58 percent of the time and has an average of 250 days, or more than two-thirds of the year, without any measurable precipitation.

Table 11.7 Foundation Grants Per 1,000 Residents for Arts and Culture, 1993

Minnesota had the second highest amount of foundation grants per capita for arts and culture in the nation.



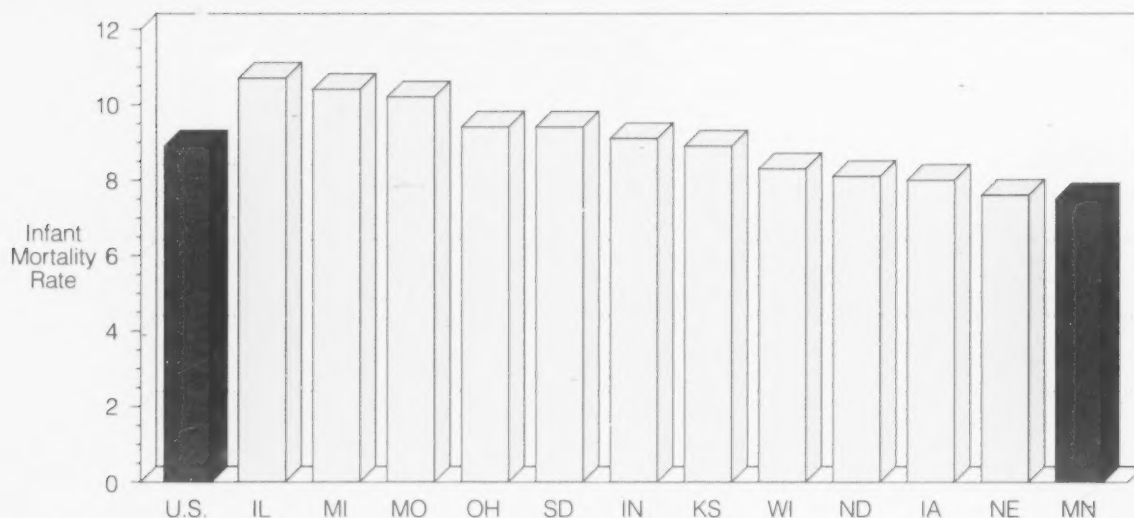
Rank	State	Grant Dollars Per 1,000 Residents	Rank	State	Grant Dollars Per 1,000 Residents	Rank	State	Grant Dollars Per 1,000 Residents
	United States	\$3,277	17	Virginia	\$2,556	34	Maine	\$923
1	New York	9,452	18	Colorado	2,450	35	North Dakota	916
2	Minnesota	7,402	19	Georgia	2,254	36	South Carolina	911
3	Pennsylvania	6,170	20	Missouri	2,168	37	Florida	870
4	Massachusetts	5,556	21	Delaware	2,008	38	Iowa	745
5	Texas	3,702	22	Utah	1,925	39	Nevada	737
6	Hawaii	3,360	23	Alaska	1,765	40	Tennessee	679
7	New Jersey	3,295	24	North Carolina	1,589	41	New Hampshire	611
8	Connecticut	3,201	25	New Mexico	1,511	42	Kansas	448
9	Ohio	3,173	26	Maryland	1,457	43	Arkansas	439
10	Rhode Island	3,092	27	Kentucky	1,386	44	Montana	405
11	Michigan	2,983	28	Oklahoma	1,374	45	Louisiana	387
12	Illinois	2,886	29	South Dakota	1,099	46	Vermont	345
13	California	2,883	30	Arizona	1,064	47	Mississippi	333
14	Indiana	2,829	31	Wisconsin	1,032	48	West Virginia	320
15	Oregon	2,828	32	Wyoming	1,029	49	Idaho	285
16	Nebraska	2,584	33	Washington	932	50	Alabama	200

Source: Grants for Arts, Culture & the Humanities 1993/1994, The Foundation Center

- In 1993, Minnesota was second in the nation in the amount of foundation grants per capita in arts, culture and the humanities. New York was the only state with more foundation grants per capita in arts and culture.
- Minnesota's high level of foundation grants demonstrates a commitment to the arts and cultural development.
- Minnesota's amount of foundation grants per 1,000 residents was more than double the national average in 1993.

Table 11.8 Infant Mortality Rate and Low Birthweight Births, 1991

Minnesota had the lowest infant mortality rate in the Midwest.



States and Regions	Infant Mortality Rate	U.S. Rank	Percentage of Low Birthweight Births	U.S. Rank
United States	8.9	-	7.1%	-
Plains				
Iowa	8.0	34	5.7	39
Kansas	8.9	24	6.2	32
Minnesota	7.5	40	5.3	45
Missouri	10.2	11	7.5	15
Nebraska	7.6	39	5.6	42
North Dakota	8.1	33	4.8	49
South Dakota	9.4	17	5.4	44
Great Lakes				
Illinois	10.7	7	7.8	13
Indiana	9.1	20	6.7	29
Michigan	10.4	9	7.8	14
Ohio	9.4	16	7.5	16
Wisconsin	8.3	30	6.1	33

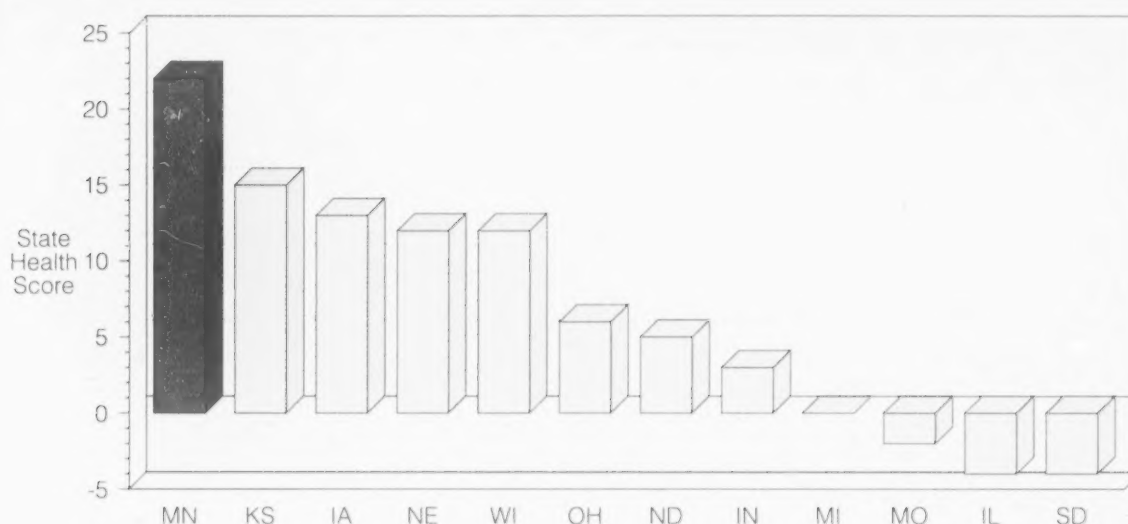
Note: Infant mortality rate is the number of deaths under one year of age per 1,000 live births.

Source: Monthly Vital Statistics Report, Vol. 42, No. 3, September 9, 1993, U.S. National Center for Health Statistics.
States in Profile, The State Policy Reference Book, 1990, State Policy Research Inc.

- The 1991 Minnesota infant mortality rate of 7.5 deaths per 1,000 live births was well below the national average of 8.9 deaths, and the lowest rate of the Midwestern states.
- Minnesota's percentage of low birthweight babies born in 1991 was sixth lowest in the nation and second lowest in the Midwest. This indicates that Minnesota has high quality prenatal and neonatal health care services and education.

Table 11.9 State Health Score and Average Life Expectancy, 1993

In a 1993 ranking of the healthiest states, Minnesota's overall health score was first in the nation.



States and Regions	State Health Score*	U.S. Rank	Average Life Expectancy**	U.S. Rank
United States	-	-	73.9	-
Plains				
Iowa	13	9	75.8	3
Kansas	15	6	75.3	9
Minnesota	22	1	76.2	2
Missouri	-2	29	73.8	27
Nebraska	12	11	75.5	6
North Dakota	5	18	75.7	5
South Dakota	-4	33	75.0	16
Great Lakes				
Illinois	-4	33	73.4	36
Indiana	3	22	73.8	26
Michigan	0	25	73.7	30
Ohio	6	16	73.5	35
Wisconsin	12	11	75.4	7

* This calculation is based on 17 components that measure disease, lifestyle, access to health care, occupational safety and disability, and mortality. The calculation results in a score of 0.0 for a state that has the same value as the national average. States that have a higher value than the national average will have a positive score while those with lower values will have a negative score.

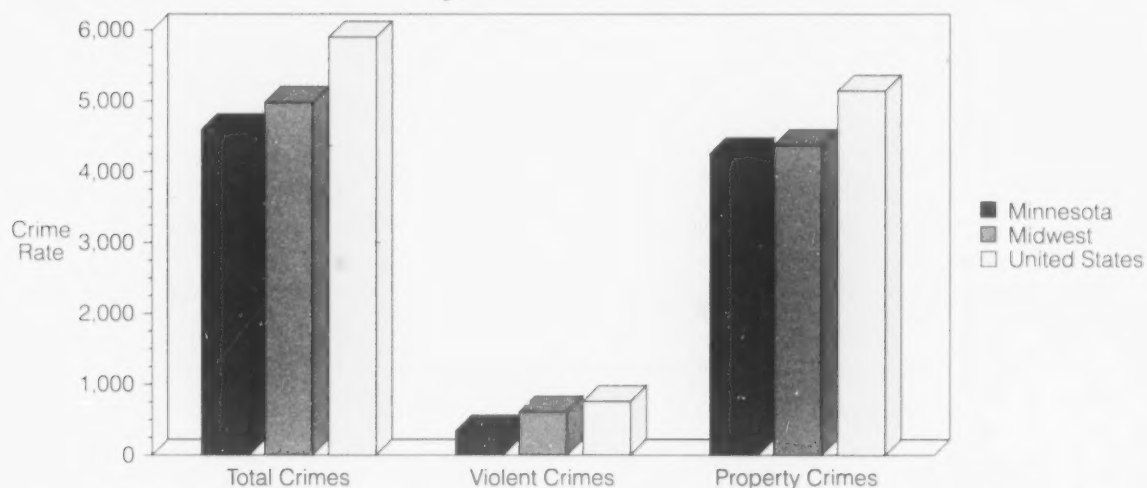
** For population born between 1979 and 1981.

Source: States in Profile, The State Policy Reference Book, 1993, State Policy Research Inc.
State Health Rankings, 1993, Northwestern National Life Insurance Company.

- According to Northwestern National Life Insurance Company's most recent state health ranking (1993), Minnesota is the healthiest state in the nation. Only two other Midwestern states were in the top ten.
- Minnesotans born between 1979 and 1981 can look forward to an average life of 76.2 years, second only to Hawaii among the 50 states. Minnesotans have the longest life expectancy in the Midwest.
- The national average score in the state health ranking is 0.0. Minnesota's score of 22 was highest in the Midwest. Kansas scored second highest with 15, 32 percent below Minnesota.

Table 11.10 Crime Rates by Type, 1992

Minnesota had an overall crime rate that was lower than the Midwest and the nation.



	Crime Rate		
	Minnesota	Midwest	United States
Total Crimes	4,591	4,975	5,898
Violent Crimes	338	607	758
Murder	3	8	10
Rape	41	45	42
Robbery	109	207	273
Aggravated Assault	184	347	433
Property Crimes	4,253	4,368	5,140
Burglary	890	964	1,252
Larceny and Theft	3,008	2,928	3,229
Motor Vehicle Theft	355	476	659

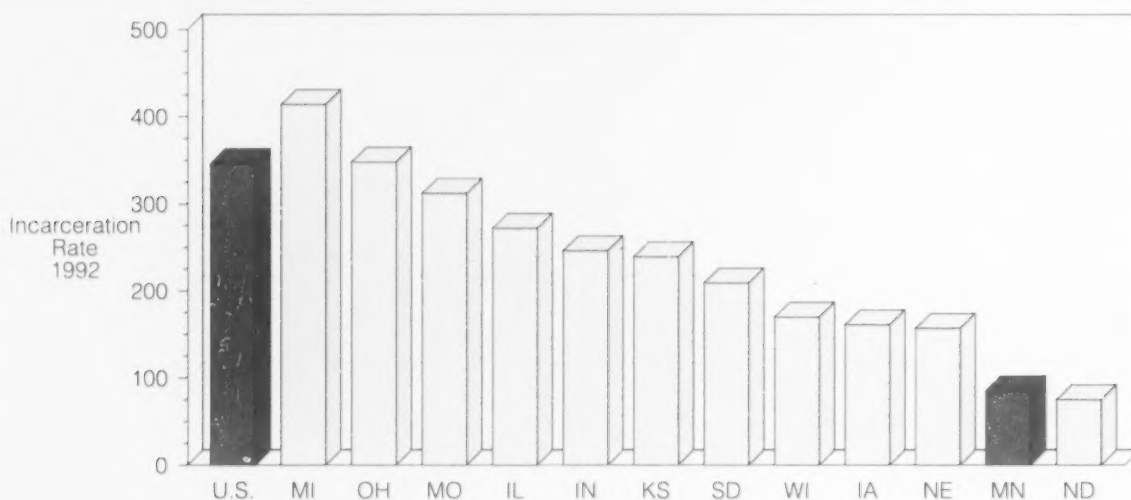
Note: The crime rate is the number of crimes per 100,000 population.

Source: *Crime in the United States, Uniform Crime Reports, 1992*, U.S. Federal Bureau of Investigation.

- In 1992, the total crime rate in Minnesota was 22 percent lower than in the United States and 8 percent lower than in the Midwest.
- Roughly 66 percent of all reported crimes in Minnesota were of larceny and theft, the most minor of the offenses listed.
- The overall violent crime rate in Minnesota was less than one-half the national rate. Only 7 percent of all crimes committed in Minnesota were violent in nature.

Table 11.11 Incarceration Rates, 1983 and 1992

Minnesota's incarceration rate in 1992 was second lowest in the nation.



States and Regions	Incarceration Rate, 1983	U.S. Rank	Incarceration Rate, 1992	U.S. Rank	Percent Change 1983-1992
United States	185	-	346	-	87%
Plains					
Iowa	97	43	161	44	65
Kansas	153	28	239	31	57
Minnesota	52	50	85	50	64
Missouri	162	23	312	22	92
Nebraska	105	39	157	46	49
North Dakota	60	49	75	51	25
South Dakota	118	37	209	37	77
Great Lakes					
Illinois	135	33	272	27	101
Indiana	171	20	242	30	44
Michigan	159	24	414	10	161
Ohio	165	22	348	14	111
Wisconsin	104	41	170	42	64

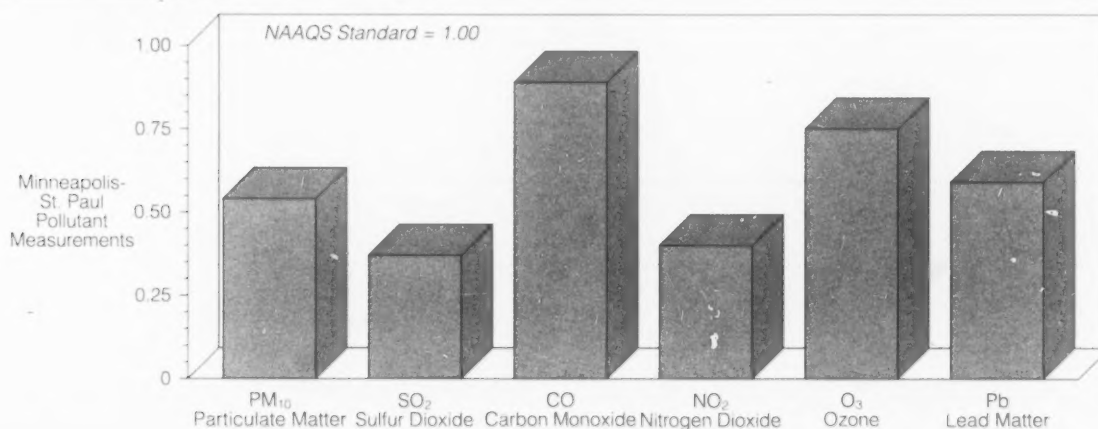
Note: The incarceration rate is the number of prisoners with sentences of one year or longer per 100,000 residents.

Source: Source Book of Criminal Justice Statistics, 1992, U.S. Department of Justice, Bureau of Justice Statistics.

- In 1992, Minnesota had the second lowest incarceration rate in the nation.
- Between 1983 and 1992, Minnesota's incarceration rate increased only 64 percent, 26 percent slower than the national rate.
- In 1992, 0.35 percent of the U.S. population was in prison, but only 0.09 percent of Minnesota's population was incarcerated that year. The Midwestern state with the highest incarceration rate was Michigan, which had 0.41 percent of its population in prison.

Table 11.12 Pollutant Measurements in 21 Metropolitan Areas with More than Two Million Population, 1992

All of the major pollutants in Minneapolis-St. Paul were significantly below the levels set by the National Ambient Air Quality Standard.



Metropolitan Area	Pollutant Measurements					
	PM ₁₀ Particulate Matter	SO ₂ Sulfur Dioxide	CO Carbon Monoxide	NO ₂ Nitrogen Dioxide	O ₃ Ozone	Pb Lead Matter
Anaheim-Santa Ana, CA	0.80	0.07	1.00	0.74	1.58	0.02
Atlanta, GA	0.68	0.27	0.56	0.51	1.08	0.02
Baltimore, MD	0.68	0.30	0.78	0.58	1.08	0.03
Boston, MA	0.32	0.40	0.56	0.62	0.92	0.02
Chicago, IL	0.84	0.30	0.67	0.57	1.08	0.66
Dallas, TX	0.60	0.10	0.67	0.40	1.17	0.61
Detroit, MI	0.74	0.30	0.56	0.40	0.92	0.04
Houston, TX	0.76	0.27	0.89	0.53	1.67	0.02
Los Angeles-Long Beach, CA	0.98	0.20	1.78	0.96	2.42	0.32
Minneapolis-St. Paul, MN	0.52	0.37	0.89	0.40	0.75	0.59
Nassau-Suffolk, NY	0.40	0.27	0.67	0.49	1.08	0.00
New York, NY	0.56	0.63	1.00	0.68	1.00	0.07
Oakland, CA	0.58	0.10	0.56	0.42	0.92	0.02
Philadelphia, PA	0.76	0.43	0.78	0.66	1.08	0.26
Phoenix, AZ	0.68	0.13	1.11	0.26	1.00	0.04
Pittsburgh, PA	0.68	0.77	0.78	0.45	0.83	0.03
Riverside-San Bernardino, CA	1.58	0.07	0.67	0.75	2.17	0.03
San Diego, CA	0.72	0.17	0.78	0.51	1.33	0.02
St. Louis, MO	1.00	0.43	0.78	0.53	1.08	0.05
Tampa-St. Petersburg, FL	0.60	0.23	0.44	0.25	0.92	0.90
Washington, DC	0.56	0.33	0.78	0.53	1.00	0.02

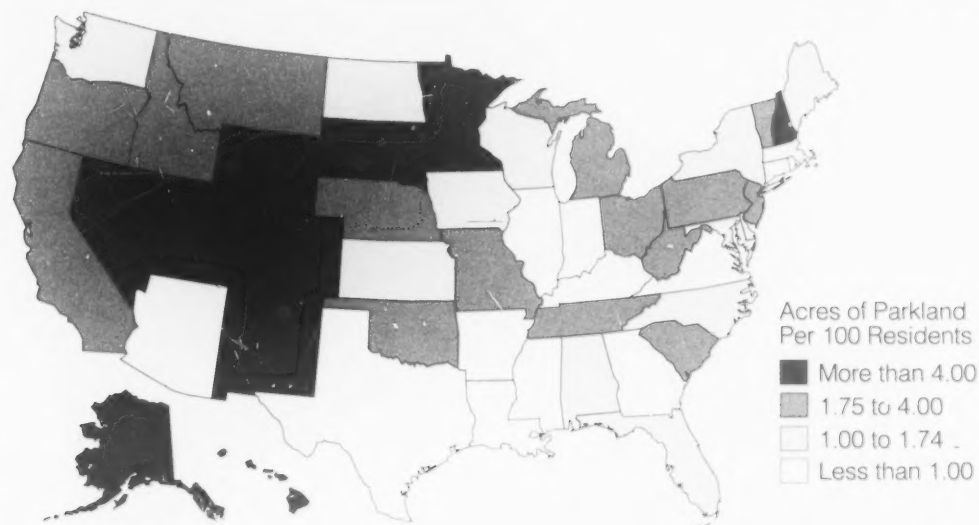
Note: Data are individual pollutant levels divided by the National Ambient Air Quality Standard (NAAQS) for that pollutant. Any number above 1 indicates a violation of air quality standards. PM₁₀, SO₂, and NO₂ = highest arithmetic mean concentration. CO = highest second maximum non-overlapping 8-hour concentration. O₃ = highest second daily maximum 1-hour concentration. Pb = highest quarterly maximum concentration.

Source: National Air Quality and Emissions Trends Report, 1992, United States Environmental Protection Agency.

- Among the largest metropolitan areas, Minneapolis-St. Paul had the lowest level of ozone (O₃) in 1992. Ground level ozone is an air pollutant resulting from traffic and industrial emissions and is the major component of smog.
- In the Minneapolis-St. Paul area, carbon monoxide (CO) was the only major pollutant that approached the National Ambient Air Quality Standard.
- Of the major pollutants, the concentration of sulfur dioxide (SO₂) in Minneapolis-St. Paul was farthest below the pollutant levels set by the National Ambient Air Quality Standard.

Table 11.13 Acres of State Parkland Per 100 Residents, 1993

Minnesota has an abundance of state parklands.



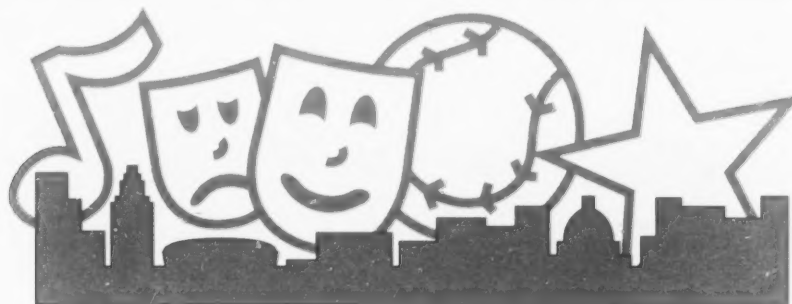
Rank	State	Acres of Parkland Per 100 Residents	Rank	State	Acres of Parkland Per 100 Residents	Rank	State	Acres of Parkland Per 100 Residents
1	Alaska	480.20	18	South Carolina	2.19	35	Alabama	1.20
2	Wyoming	24.10	19	Idaho	2.04	36	Maryland	1.16
3	South Dakota	11.14	20	Vermont	1.92	37	North Carolina	1.04
4	New Mexico	7.60	21	Ohio	1.89	38	Indiana	0.99
5	New Hampshire	6.48	22	Oklahoma	1.88	39	Arkansas	0.98
6	Nevada	6.44	23	Nebraska	1.86	40	Mississippi	0.87
7	Colorado	5.95	24	Michigan	1.85	41	Arizona	0.86
8	Utah	5.30	25	Tennessee	1.75	42	Texas	0.85
9	Minnesota	5.15	26	Delaware	1.74	43	Rhode Island	0.80
10	Hawaii	4.64	27	Maine	1.70	44	Georgia	0.80
11	West Virginia	3.86	28	Kansas	1.59	45	Virginia	0.79
12	New Jersey	3.59	29	New York	1.42	46	Illinois	0.74
13	Montana	3.32	30	North Dakota	1.33	47	Kentucky	0.69
14	California	3.23	31	Iowa	1.33	48	Connecticut	0.62
15	Oregon	3.07	32	Florida	1.29	49	Louisiana	0.61
16	Missouri	2.29	33	Wisconsin	1.27	50	Massachusetts	0.53
17	Pennsylvania	2.28	34	Washington	1.26			

Source: Annual Information Exchange, 1993, National Association of State Park Directors.

- In 1993, Minnesota ranked ninth in the nation with 5.15 acres of state parkland per 100 residents.
- Of the Midwestern states, only South Dakota had more acres of state parkland per 100 residents than Minnesota.
- The Minnesota Department of Natural Resources (DNR) reports that in 1992, there were nearly 8 million visitors to Minnesota parks.
- According to the DNR, Minnesota had 67 state parks in 1993, covering 250,000 acres. Within these parks were 4,108 campsites, 4,200 picnic sites, 945 miles of hiking trails, and 565 historic buildings.

Table 11.14 Arts Score for the 36 Top Ranking Metropolitan Areas in the United States and Canada, 1992

The Twin Cities, with a variety of arts and entertainment opportunities, ranked eighteenth in the arts.



<i>Metropolitan Area</i>	<i>Rank</i>	<i>Arts Score</i>	<i>Metropolitan Area</i>	<i>Rank</i>	<i>Arts Score</i>
New York, NY	1	9,681	Orange County, CA	19	1,591
Los Angeles-Long Beach, CA	2	4,977	Hartford, CT	20	1,567
Washington DC-MD-VA	3	4,250	Phoenix, AZ	21	1,541
Chicago, IL	4	3,231	Northern New Jersey, NJ	22	1,538
Toronto, ON	5	3,138	St. Louis, MO-IL	23	1,529
San Francisco, CA	6	2,877	Seattle, WA	24	1,506
Boston, MA	7	2,819	Detroit, MI	25	1,500
Philadelphia, PA-NJ	8	2,733	Atlanta, GA	26	1,452
Long Island, NY	9	2,370	Monmouth Ocean, NJ	27	1,384
Newark-Jersey City, NJ	10	2,098	Orange County, NY	28	1,372
Montreal, PQ	11	2,072	Riverside-San Bernardino, CA	29	1,362
Oakland, CA	12	2,032	Tampa-St. Petersburg, FL	30	1,336
Baltimore, MD	13	1,961	Danbury, CT	31	1,334
Stamford-Norwalk, CT	14	1,870	Ottawa-Hull, ON-PQ	32	1,316
Cleveland-Lorain OH	15	1,795	San Diego, CA	33	1,304
Central New Jersey, NJ	16	1,744	Vancouver, B.C.	34	1,270
San Jose, CA	17	1,685	Milwaukee-Waukesha, WI	35	1,248
Minneapolis-St. Paul, MN-WI	18	1,660	Pittsburgh, PA	36	1,244

Note: Eight amenities were used to derive a metro area's score for the arts: (1) concert or classical format radio stations; (2) touring artist bookings at local campus and civic auditoriums; (3) resident symphony orchestras; (4) resident opera companies; (5) resident ballet companies; (6) resident professional theatres; (7) nonprofit art museums and galleries; and (8) public libraries. Metropolitan areas also earn bonus points for shared amenities if they are part of metropolitan complexes.

Source: *Places Rated Almanac*, 1993, Prentice Hall, New York.
Unpublished data, Metro Association of Convention and Visitors Bureaus.

- Of the 343 metropolitan areas in the United States and Canada that were evaluated by *Places Rated Almanac*, the Twin Cities metropolitan area ranked eighteenth in the arts. In the Midwest, the Twin Cities had the third highest score behind Chicago and Columbus.
- The Twin Cities offer many cultural experiences including the Minnesota Orchestra, the Saint Paul Chamber Orchestra, the Minnesota Opera, the Guthrie Theater, the Minneapolis Institute of Arts, the Minnesota Museum of Art, and numerous community theaters.
- Family entertainment includes the Minnesota Zoological Gardens, Como Zoo and Conservatory, the Bell Museum of Natural History, the Children's Museum, the Science Museum of Minnesota, Ironworld USA, and Valleyfair.
- Festivals are held across Minnesota year-round, including the Renaissance Festival, the St. Paul Winter Carnival, Kolacky Days in Montgomery, the John Beargrease Sled Dog Marathon along the North Shore, and Oktoberfest in New Ulm, among many others.
- Minnesota is home to three major league professional teams: the Timberwolves (basketball), the Twins (baseball), and the Vikings (football). Also, the University of Minnesota Gophers compete in the "Big Ten" for a variety of sports such as basketball, football and hockey.
- Since 1990, the Twin Cities area has hosted a Superbowl, World Series, Final Four NCAA Basketball Championship, US Open Golf Championship, Stanley Cup Finals, and International Special Olympics.

Energy and Natural Resources 12

About 10,000 years ago, retreating glaciers carved out the many lakes and rivers that typify Minnesota today. More than 12,000 lakes adorn the state's three distinct land types: western grassland plains and prairies, northern coniferous forest, and southeastern hardwood forest. Over half of the state is cropland and pastures while one-third is covered by dense forests. These natural features support the successful farming and forestry industries that contribute to the Minnesota economy. These natural resources also provide residents of the state, as well as tourists, the opportunity to enjoy nature in a vast number of parks and forests.

Minnesota residents and businesses also benefit from reasonably priced utilities. Electricity prices for commercial, industrial and residential users are low, as are natural gas costs. Due to the large quantity of water in the state, consumption of this renewable resource represents only a small percentage of the total amount available.

Table 12.1 Minnesota Landscapes

Plains, woodlands, hills and lakes characterize the Minnesota landscape.



Source: *Minnesota's Landscape for Trails*, 1984. Department of Natural Resources, Trails and Waterways Unit.

- The Red River Valley glacial plain in northwestern Minnesota constitutes most of the farming area in northernmost Minnesota. Sugar beets, small grains, potatoes and sunflowers are the primary crops. The Agassiz Lowlands is also level lake plain that contains vast peat lands and conifer bogs.
- The Twin Cities Metropolitan Area is at the confluence of the Mississippi and Minnesota Rivers. This heavily urbanized area is generally flat with river bluffs and occasional hilly areas.
- Intensive agricultural production has left only a few remnants of natural prairie in the rolling hills of the Highland of the Prairies region. Exposed bedrock and gently rolling uplands, dissected by tributaries of the Mississippi River, characterize the Southeastern Blufflands where agriculture, logging and shipping are important industries.
- The Northern Pine and Lakes region consists of rolling terrain with numerous lakes and woods, while the Central Hills and Lakes region is more pastoral. Small scale farming and tourism is prevalent in the Central Hills and Lakes, while logging and mining are the major sources of income in the northern region, followed by tourism and recreation.
- The landscape of the Mesabi Iron Range is marked by water-filled mining pits and huge tailing piles. Extensive tamarack bogs and forests of aspen and birch characterize the Central Peatlands. Agriculture, logging and sod farming are the economic foundation of this region.
- Many tourists are attracted to northeastern Minnesota by the dense aspen/birch forests. The Border Lakes region, with bare ridges of ancient bedrock and clear lakes, is used by canoeists and backpackers. The Highlands region along the North Shore of Lake Superior contains many streams that cascade through steep valleys before emptying into the largest of the Great Lakes.
- The rock-floored Minnesota River Valley runs directly through the fairly level Southern Farmbelt. The valley is lush riverbottom forest in the east but barren and rocky in the west. Corn and soybeans are the main products of the prime agricultural land in the Farmbelt. Although most remaining wetlands are protected, vast areas have been drained by an extensive canal system.

Table 12.2 Minnesota Agriculture

Minnesota's variety of agricultural products is a major component of the state economy.



Source: Minnesota Agriculture on Tour, Minnesota Agricultural Statistics Service
Agriculture: The "Ripple" Effect - A Look at How Agriculture Affects the State's Economy, March 1993, Minnesota Agricultural Statistics Service.

- Minnesota has vast areas of land in agricultural production. Differing soil types and terrain divide the state into four production regions: the Red River Valley cash grain area, the forest area, the dairy area and the crop/livestock area.
- The food and agricultural industry is the largest exporter in the Minnesota economy, exporting \$12 billion in products to other states and countries worldwide. Food and fiber exports alone are responsible for employing 70,000 Minnesotans.
- Most of the 15,000 dairy farms in Minnesota are in the generally hilly and lake-dotted dairy area. These farms tend to be smaller than the state average of 337 acres.
- The less fertile soil and cooler temperatures in the forest area don't accommodate production of major agricultural products. Minnesota's sizable timber industry is concentrated in this area.
- Combined receipts from Minnesota's major farm products generate more than \$7.5 billion for the state's economy.
- One out of three jobs and 26 percent to 29 percent of the economic base in the 80 Minnesota counties outside the metropolitan area are connected in some way to agriculture.
- The Red River Valley cash grain area is a major producer of sugar beets, wheat, barley, dry beans, potatoes, oats and sunflowers. The average farm size in this area is higher than the state average.
- The crop/livestock area is the northern edge of the corn belt. Most Minnesota corn and soybeans are grown here. The majority of Minnesota beef cattle and hogs are produced in this area also. Minnesota ranks in the top five states in the production of corn, soybeans and hogs.

Table 12.3 Minnesota Recreational Resources, 1993

Minnesota has extensive outdoor recreation opportunities.



	Total Campgrounds		Campsites	Picnic Sites	Water Access	Beaches	Hiking Trails (miles)	Acreage (thousands)
State Parks	67	78	4,108	4,200	79	37	945	250
State Forests	57	63	850	194	120	31	281	3,317
National Forests								
Chippewa National Forest		23	625	12	19	8	160	655
Superior National Forest		27	601	43	40	20	350	3,866
National Parks								
Voyageurs National Park		32*	666*	8	6**	0***	31	219

* The number of campgrounds and campsites for Voyageurs National Park includes those of 60 adjacent resorts that provide these services for visitors to the park.

** Many waterways lead into Voyageurs National Park from surrounding areas.

*** There are no official swimming beaches, but swimming is allowed on all lakes.

Source: Minnesota State Forest Campgrounds and Recreation Areas, Minnesota Department of Natural Resources, Division of Forestry.

Minnesota's Forest Campgrounds, Minnesota Department of Natural Resources, Division of Forestry.

1993 State Park Status Report, Minnesota Department of Natural Resources

Personal correspondence with officials at the Minnesota Department of Natural Resources, Chippewa National Forest, Superior National Forest and Voyageurs National Park.

- In 1993, Minnesota had 13 multi-use state trails totaling 920 miles. There were also 12,000 miles of snowmobile trails, and nearly 1,900 miles (about 3,000 kilometers) of cross-country ski trails.
- Minnesota's Scientific and Natural Areas protect numerous rare birds, endangered plants, native prairies and old growth forests at 101 sites.
- Minnesota's 57 state forests were laced by 55 trails in 1993, including 281 miles of hiking trails, 149 miles of cross-country ski trails, 223 miles of horseback trails and 993 miles of snowmobile trails.
- Voyageurs National Park on the Canadian border is a true wilderness area. There are few formal camp or picnic sites, public access points, beaches or marked trails within the park borders.
- Minnesota had 67 state parks covering 250,000 acres and containing many attractions for visitors in 1993. They included 480 registered heritage landmarks, 565 historic buildings, and 51 archaeological sites.
- The Boundary Waters Canoe Area, part of the National Wilderness Preservation System, covers just over one million acres within Superior National Forest.

Table 12.4 Minnesota Major Lakes and Rivers

Minnesota's numerous lakes and rivers provide abundant recreational opportunities for residents and visitors.

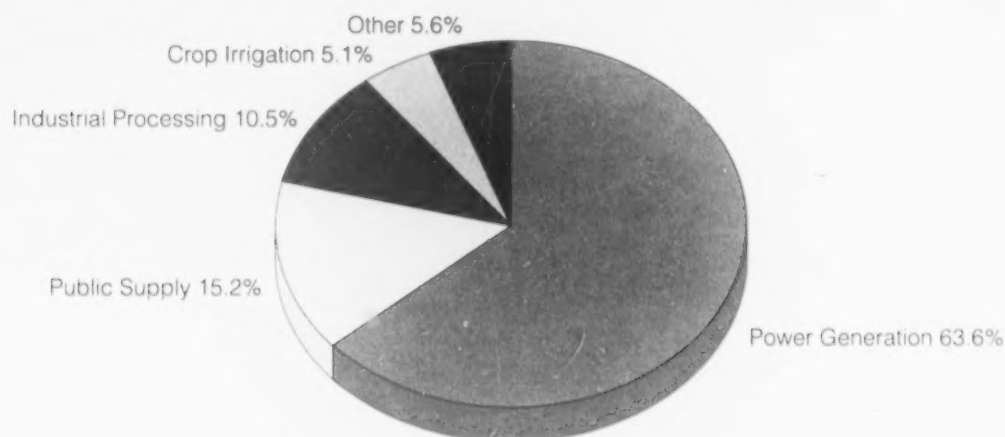


Sources: *Managing Minnesota's Fisheries*, 1993. Minnesota Department of Natural Resources.
Trails and Waterways, Minnesota Department of Natural Resources.
National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, 1993. U.S. Department of Interior.

- Minnesota residents enjoy their natural surroundings. In 1992, 88 percent of the adult population participated in wildlife-associated recreation such as hunting, fishing, photography or hiking, a higher percentage than in any other state except Alaska.
- There are 15,000 miles of fishable streams within Minnesota's boundaries, including 2,600 miles of trout streams.
- Minnesota has over 12,000 lakes of 10 acres or more. Sixty-two of these are over 5,000 acres (12.5 square miles). The largest lake in the state is Red Lake, which covers 451 square miles. Minnesota has more miles of shoreline than California and Oregon combined.
- Minnesota has 25,000 miles of rivers. There are 20 major rivers that provide excellent recreational opportunities, including 3,035 miles of canoeable waterway. Over 600 miles of this has been designated Wild and Scenic waterway.
- Minnesota has almost 5,500 fishable lakes that provide 3.8 million acres of fishing water. This does not include the 1.4 million acres of Minnesota's portion of Lake Superior.

Table 12.5 Minnesota Reported Water Use, 1991

Most of the public water supply in Minnesota came from ground water sources.



		Percent of Total Use				
	Total Use (million gallons)	Public Supply	Crop Irrigation	Industrial Processing	Power Generation*	Other
Total Water Use	1,091,476.7	15.2%	5.1%	10.5%	63.6%	5.6%
Surface Water Use	885,962.3	6.8	1.4	10.1	78.2	3.5
Ground Water Use	205,514.4	51.5	20.9	12.5	0.6	14.5

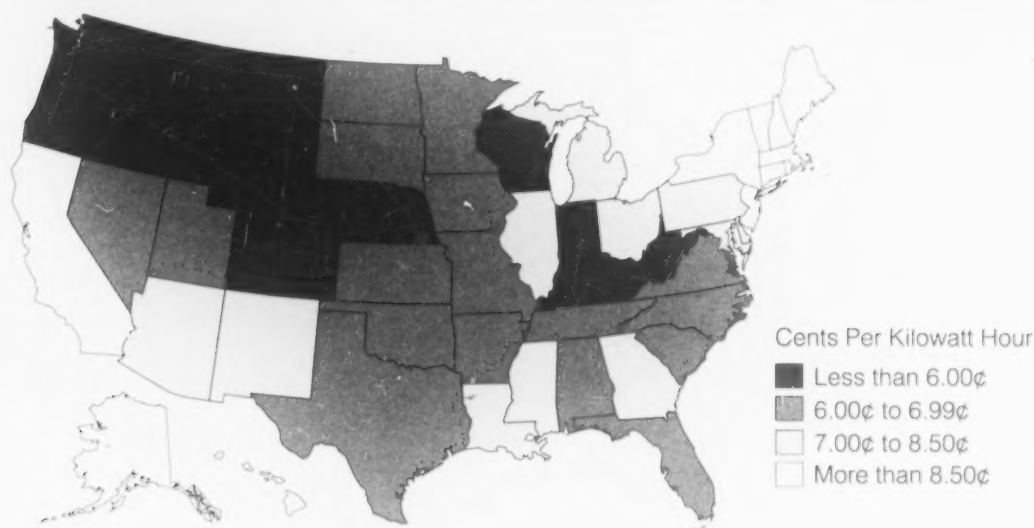
* Thermoelectric power generation is primarily a "nonconsumptive" use because most of the water withdrawn is returned to its source.

Source: Water Year Data Summary, 1991-1992, Minnesota Department of Natural Resources.

- Reported water use in Minnesota for all purposes in 1991 was 1,091 billion gallons. This was only 51 percent of the total permitted volume for that year and almost 14 percent less than the peak year of 1988.
- Although the 205 billion gallons of ground water used in 1991 was 21 percent below the 1988 level, it was still 33 percent above the level of water used in 1986. The decline in ground water use from 1988 to 1991 was primarily the result of a 40 billion gallon decrease in water usage for crop irrigation.
- Surface water provided 81.2 percent, or 886 billion gallons, of total water usage in 1991.
- Power generation, the single largest use of water in Minnesota, decreased slightly from the peak in 1990. Twenty-nine percent more water was used for power generation in 1991 than in 1986.
- Municipal and private waterworks used the second highest volume of water in Minnesota in 1991. They extracted almost twice as much of their water from ground water sources as from surface water sources.

Table 12.6 Average Electricity Prices for Commercial Users, 1991

Electricity prices for commercial users in Minnesota were among the lowest in the nation, and 18 percent below the national average.



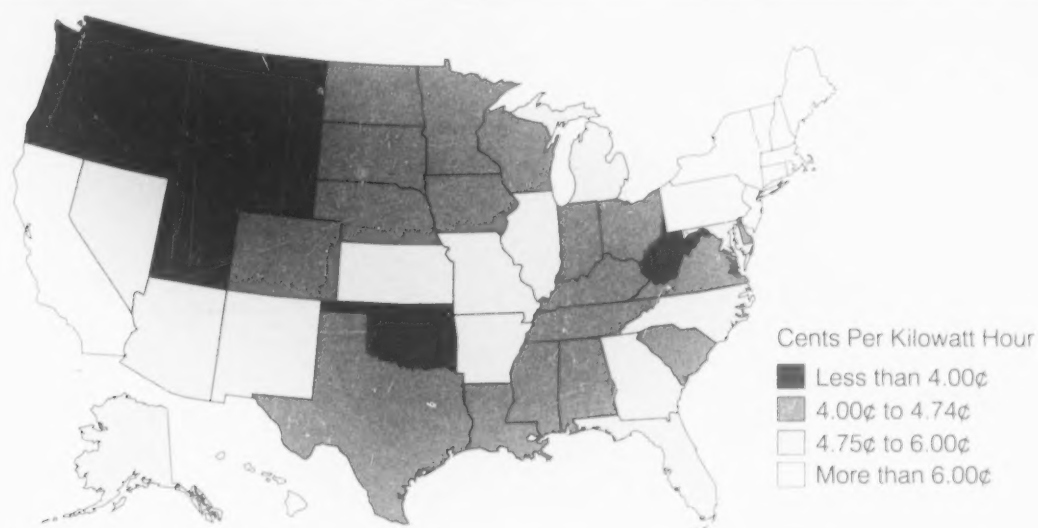
Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour
	United States	7.45¢	17	Iowa	6.25¢	34	Ohio	7.55¢
1	Washington	4.21	18	Nevada	6.32	35	Michigan	7.95
2	Idaho	4.23	19	Missouri	6.38	36	Illinois	8.04
3	Oregon	4.78	20	North Carolina	6.41	37	New Mexico	8.07
4	Montana	5.11	21	Tennessee	6.43	38	Arizona	8.15
5	Wyoming	5.29	22	North Dakota	6.51	39	Pennsylvania	8.36
6	Kentucky	5.31	23	Kansas	6.62	40	Vermont	8.75
7	West Virginia	5.41	24	Texas	6.64	41	Maine	9.06
8	Colorado	5.79	25	Florida	6.78	42	California	9.10
9	Nebraska	5.80	26	Alabama	6.8	43	Massachusetts	9.23
10	Wisconsin	5.83	27	South Dakota	6.89	44	New Jersey	9.26
11	Indiana	5.96	28	Arkansas	6.90	45	Alaska	9.29
12	Virginia	6.06	29	Delaware	7.01	46	New Hampshire	9.43
13	Utah	6.06	30	Maryland	7.05	47	Connecticut	9.49
14	Minnesota	6.14	31	Louisiana	7.06	48	Rhode Island	9.97
15	Oklahoma	6.15	32	Mississippi	7.25	49	Hawaii	10.33
16	South Carolina	6.17	33	Georgia	7.39	50	New York	10.88

Source: Statistical Yearbook of the Electric Utility Industry, 1991, Edison Electric Institute

- Electricity prices for commercial users were lower in Minnesota than in 36 other states, and 18 percent below the national average.
- The commercial electric price in Minnesota was 13 percent below the 7.07 average for the Great Lakes states in 1991.
- The only Midwestern states with lower commercial electric prices than Minnesota were Nebraska, Wisconsin and Indiana. The other states with lower prices were primarily in the West and the coal-producing states of the Southeast.

Table 12.7 Average Electricity Prices for Industrial Users, 1991

Average electric rates for industrial users in Minnesota were 12 percent less than the national average.



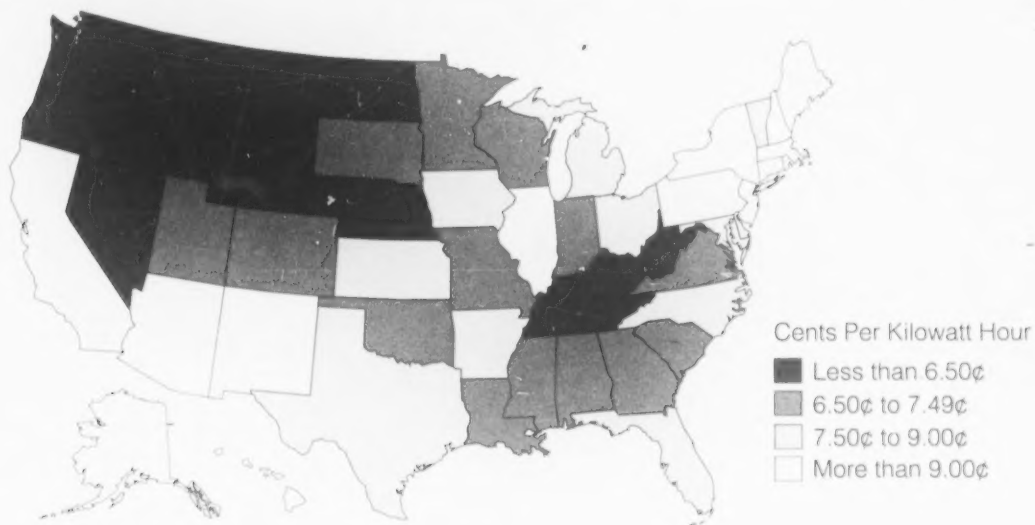
Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour
	United States	4.85¢	17	Minnesota	4.26¢	34	Florida	5.27¢
1	Washington	2.38	18	Virginia	4.27	35	Illinois	5.50
2	Idaho	2.59	19	Indiana	4.33	36	Maryland	5.51
3	Montana	2.89	20	Alabama	4.46	37	Arizona	5.67
4	Oregon	3.17	21	Colorado	4.49	38	Michigan	5.72
5	Wyoming	3.52	22	Mississippi	4.56	39	Alaska	5.96
6	West Virginia	3.67	23	South Dakota	4.59	40	New York	6.15
7	Oklahoma	3.95	24	North Dakota	4.64	41	Pennsylvania	6.32
8	Utah	3.96	25	Tennessee	4.66	42	Maine	6.71
9	Iowa	4.00	26	Delaware	4.71	43	California	6.74
10	Nebraska	4.02	27	Georgia	4.79	44	Vermont	6.98
11	Wisconsin	4.04	28	New Mexico	4.84	45	New Hampshire	7.70
12	Ohio	4.12	29	Kansas	4.90	46	New Jersey	7.70
13	Texas	4.13	30	Missouri	4.94	47	Hawaii	7.71
14	Louisiana	4.16	31	Arkansas	4.95	48	Connecticut	7.93
15	Kentucky	4.19	32	Nevada	4.96	49	Massachusetts	8.50
16	South Carolina	4.19	33	North Carolina	5.00	50	Rhode Island	9.11

Source: Statistical Yearbook of the Electric Utility Industry, 1991, Edison Electric Institute

- The average price of electricity for industrial customers was lower in Minnesota than in 33 other states, and 12 percent below the national average in 1991.
- Reduced electric rates are available to large firms in Minnesota who are willing to have interruptible service.
- Utility companies in Minnesota sold a total of 49 billion kilowatt hours of electricity to commercial, industrial and residential users in 1991, a 2 percent increase over 1990.
- In 1991, Minnesota utility companies generated 63 percent of their total electricity from coal, 31 percent from nuclear, 2 percent from hydro, and 1 percent each from fuel oil, natural gas, and other sources.

Table 12.8 Average Electricity Prices for Residential Users, 1991

Residential electric prices in Minnesota were 12 percent below the national average.



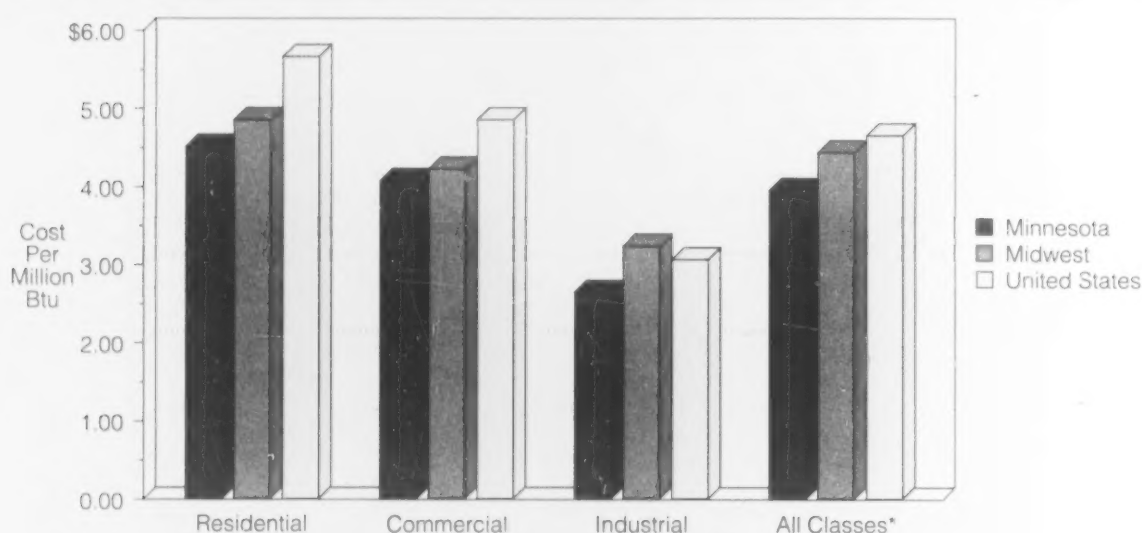
Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour	Rank	State	Cents Per Kilowatt Hour
	United States	7.98¢	17	Minnesota	7.04¢	34	Ohio	8.15¢
1	Washington	4.43	18	Utah	7.05	35	Delaware	8.60
2	Oregon	4.83	19	Colorado	7.07	36	Vermont	8.96
3	Idaho	4.88	20	Oklahoma	7.10	37	New Mexico	9.13
4	Kentucky	5.63	21	South Carolina	7.15	38	Arizona	9.17
5	Tennessee	5.70	22	Virginia	7.34	39	Pennsylvania	9.62
6	Montana	5.88	23	Louisiana	7.37	40	California	9.76
7	Nevada	5.91	24	Missouri	7.39	41	Illinois	9.88
8	West Virginia	5.91	25	Georgia	7.43	42	New Hampshire	10.16
9	Nebraska	6.01	26	Texas	7.61	43	Massachusetts	10.41
10	Wyoming	6.02	27	Iowa	7.67	44	Maine	10.45
11	North Dakota	6.22	28	Kansas	7.81	45	Connecticut	10.51
12	Indiana	6.66	29	North Carolina	7.84	46	Hawaii	10.52
13	Alabama	6.67	30	Michigan	7.85	47	New Jersey	10.81
14	Wisconsin	6.75	31	Florida	7.92	48	Alaska	10.96
15	Mississippi	6.93	32	Maryland	7.94	49	Rhode Island	10.99
16	South Dakota	6.97	33	Arkansas	8.06	50	New York	11.97

Source: Statistical Yearbook of the Electric Utility Industry, 1991, Edison Electric Institute

- The average price for residential electricity was lower in Minnesota than in 33 other states in 1991.
- At 7.04 cents, the average rate for residential electricity in Minnesota in 1991 was 12 percent below the national average of 7.98 cents.

Table 12.9 Average Natural Gas Prices by Class of Service, 1991

The average natural gas price for all classes was lower in Minnesota than in any other state in the Midwest.



Average Price Per Million Btu				
States and Regions	All Classes*	Residential	Commercial	Industrial
United States	\$4.65	\$5.66	\$4.85	\$3.06
Midwest	4.43	4.85	4.22	3.23
Plains				
Iowa	4.09	4.76	3.94	2.62
Kansas	3.99	4.37	3.68	2.84
Minnesota	3.95	4.51	4.07	2.64
Missouri	4.80	5.10	4.43	3.39
Nebraska	4.07	4.60	3.97	2.76
North Dakota	4.35	4.59	4.15	2.94
South Dakota	4.20	4.77	4.09	2.96
Great Lakes				
Illinois	4.80	5.36	4.55	3.50
Indiana	4.55	4.75	4.28	3.59
Michigan	4.65	4.76	4.46	4.03
Ohio	4.88	5.08	4.64	4.00
Wisconsin	4.78	5.60	4.38	3.52

* Includes prices from the miscellaneous class.

Source: Gas Facts, 1992, The American Gas Association.

- The average price for natural gas in Minnesota was the eighth lowest in the country. Only Western and gas-producing states reported lower gas prices for 1991.
- Residential gas prices were lower in Minnesota than in every other Midwestern state except Kansas.
- The price per cubic foot of gas for industrial customers in Minnesota was 2.64 cents, seventh lowest in the country.
- In the Midwest, only Iowa had 1991 natural gas prices for industrial users that were lower than Minnesota.



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